

**STATE OF RHODE ISLAND
INVESTMENT COMMISSION MEETING**

**DATA AT
JUNE 30, 2008**

**KENNETH E. GOODREAU
DEPUTY GENERAL TREASURER FOR FINANCE**

MEMBERS OF THE STATE INVESTMENT COMMISSION

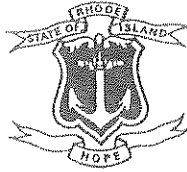
Hon. Frank T. Caprio, Chair

**Mr. J. Michael Costello
Mr. Robert R. Gaudreau, Jr.
Dr. Robert J. McKenna
Mr. Andrew K. Reilly**

**Ms. Rosemary Booth Gallogly
Mr. Robert Giudici
Ms. Marcia Reback
Mr. John R. Treat**

TABLE OF CONTENTS

| | |
|-----------------------------|---|
| APPROVAL OF MINUTES..... | A |
| STAFF SUMMARY | B |
| PERFORMANCE | C |
| ASSET ALLOCATION | D |
| CASH FLOW..... | E |
| SHORT TERM INVESTMENTS..... | F |
| SPECIAL FUNDS..... | G |



State of Rhode Island and Providence Plantations
Office of the General Treasurer

Frank T. Caprio
General Treasurer

**RHODE ISLAND STATE INVESTMENT COMMISSION
MEETING NOTICE**

The next meeting of the Rhode Island State Investment Commission has been scheduled for Wednesday, July 23, 2008 at 9:00 a.m. in Room 135 of the State House.

AGENDA

1. Membership Roll Call
2. Approval of Minutes
 - State Investment Commission Meeting held on 6/25/08 *
3. General Consultant Capital Markets Review – Pension Consulting Alliance
4. Alternative Investments Consultant – Townsend Real Estate
 - AEW Capital Management *
5. Legal Counsel Report
6. Deputy Treasurer for Finance Report
7. Treasurer's Report
8. New Business

* Commission members may be asked to vote on this item.

POSTED ON THURSDAY JULY 17, 2008

A

**State of Rhode Island and Providence Plantations
STATE INVESTMENT COMMISSION**

Regular Meeting June 25, 2008

A State Investment Commission (SIC) meeting was held in Room 135, State House, Providence, Rhode Island on Wednesday, June 25, 2008. The Treasurer called the meeting to order at 9:11 a.m.

Membership Roll Call. Present were: Ms. Rosemary Booth Gallogly, Mr. Robert Gaudreau, Mr. Robert Giudici, Dr. Robert McKenna, Ms. Marcia Reback, Mr. Andrew Reilly, and General Treasurer Frank T. Caprio. Also present were: Mr. Kenneth E. Goodreau, Deputy General Treasurer for Finance; Ms. Sarah Dowling, of Adler Pollock & Sheehan, Legal Counsel to the Commission; Mr. Joseph Pezza, of Rodio & Ursillo, Legal Counsel to the Commission; Ms. Michelle Davidson of the Pacific Corporate Group, Alternative Investments Consultant to the Commission; Ms. Lisa Tyrrell of the State Street Corporation; and other members of the Treasurer's staff. Mr. Costello and Mr. Treat were not present.

State Investment Commission Minutes. The Treasurer entertained a motion for approval of the minutes. Dr. McKenna moved, Ms. Reback seconded and the following motion was passed. The following members voted in favor: Ms. Gallogly, Mr. Gaudreau, Mr. Giudici, Dr. McKenna, Ms. Reback, Mr. Reilly, and Treasurer Caprio.

VOTED: To approve the Minutes of the May 28, 2008 regular meeting.

Due to the request by one of the SIC Members for time consideration, the Treasurer began the Meeting with item #5 from the Agenda.

RFP Subcommittee Recommendation and Review-General Consultant Search. The Treasurer referred to the memo in the Consultant Presentations booklet, which summarizes that an RFP was published in December 2007 in national publications requesting proposals for consultants to ERSRI. The Commission received numerous responses, and the Subcommittee met on February 19 to determine which firms the Committee wished to interview. On April 9, 2008 and May 5, 2008, the Subcommittee met and heard presentations from the finalists. On June 12, 2008, the Subcommittee met, reviewed, and approved the recommendation outlined in this memo. All these meetings were posted as public meetings. The Committee and Staff recommended splitting the consultant's responsibilities into three roles: a General Policy Consultant, an Implementation Manager, and a Manager Search and Database Services Component.

To fill the General Policy Consultant role, the Subcommittee and Staff recommended Pension Consulting Alliance. PCA is the lead consultant to CALSTERS, which is the second largest U.S. pension fund along with other large funds. Industry polls and publications, including Pensions and Investments, have consistently ranked PCA as one of the top ten Consulting Organizations. CEO and Founder Allen Emkin was a former Wilshire representative to R.I. in the 1980's and is familiar with ERSRI, having been part of the implementation of its current structure. He will personally handle our account, which will give the Commission and Staff the distinct advantage of an upper level relationship with the

Firm. The Treasurer emphasized that although there may be three proposed consultants, the fees would remain the same or less than the fees currently paid to our Consultant. The General Policy Consultant will attend the SIC meetings consistent with current practice.

Improvement of the portfolio's efficiency is the primary function of the Implementation Manager. The group that was recommended for this role was the Russell Investment Group. Russell Investment Group is a top rated Pension Consultant in the category of assets under advisement and a pioneer in the pension universe, and is the industry standard in beta overlay and exposure management. The Firm was a clear choice for the Subcommittee given its consistently high performance, industry leadership, and low fee structure.

The third component, Manager Search and Database Services, is an assignment-based function. The Commission would not pay a monthly fee to the Firm, but will have access to their extensive database. Fees will be incurred only when the SIC Members request their services. The Firm that is recommended for this role is Brockhouse & Cooper, which is a Firm that currently provides these services to two of the largest funds in the world: Ontario Teachers Pension and ABP Investments. Their extensive databases, covering both domestic and international investment firms, will allow Staff to conduct far more in-depth manager searches in a user friendly format than is currently possible.

Mr. Goodreau added that although the Commission only meets once a month, he would like the Members to understand that this was a very painstaking, long due diligence process that the Treasurer, his Staff, and the Subcommittee went through over the past six months. The architecture and methodology behind what the Commission is trying to do started very specifically with the careful wording of the RFP under the Treasurer's direction. With the proposed structure, the consultants would constantly be testing each other, and would give the program a checks and balances framework that is not currently available. Mr. Goodreau then thanked the Subcommittee for their diligence and hard work.

Ms. Reback asked what the difference was between a General Consultant and an Implementation Manager. The Treasurer replied that the Implementation Manager would deal with day-to-day issues within the portfolio, such as moving asset allocations. Currently when implementing that strategy, there are certain time lags that affect the portfolio's performance. The Implementation Manager would assist in that process using strategies that will eliminate this two to three day lag. As the Commission conducts additional asset allocation studies and investment guideline studies, the General Consultant will provide the guidance and oversight required as the fiduciary.

The Treasurer noted that the Firms had already given extensive presentations to the Subcommittee, and asked them to give an abbreviated version to introduce their Firm and their goals in partnering with the SIC going forward.

General Consultant Presentation—Pension Consulting Alliance, Inc. Mr. Allen Emkin, CEO of PCA, stated that he started PCA in 1988. Prior to that he was with Wilshire Associates, and was the first Wilshire Consultant to the SIC. PCA's only business is pension consulting; they do not manage assets or sell services to investment managers. Mr. Emkin stressed that consulting is a service rather than a commodity, so the advice PCA provides is

unique to each client's circumstance and facts. They conduct a variety of services for clients: general consulting, private equity consulting, and real estate consulting. PCA is unique in that they like to work with other consulting Firms and have worked with every major specialist Firm in the country. They have worked with Russell Investments for years. They have an office in New York, and are in the process of expanding East Coast staffing. Most of the staff that works with clients have more than a decade of institutional consulting experience, and are highly motivated because their compensation is directly linked to client retention. They have only lost one staff member in twenty years. The Firm is also hired to do unique projects. They were retained by the State of New Jersey for an infrastructure project, and by the State of New York for a private equity program. They help clients with private equity searches and orchestrate consultant searches. In this role, they recuse themselves from being considered as a candidate, and only act as an independent resource.

PCA rates among the highest in the country's top consulting organizations, according to *Pensions & Investments*. The Firm does not have any small clients—the average client has over 30 billion dollars in assets. They have a long term relationship with many of their clients, and have lost very few clients over the years. This year, they have been retained by the State of New Jersey, State of Hawaii, and the City of Seattle, among others.

The Treasurer asked Mr. Emkin to highlight points he made during a panel discussion at Harvard Law School on the future of pensions and investment management. Mr. Emkin replied that he could guarantee two things: the only thing that works in the business is diversification, and that there will be change. There are opportunities that the institutional investing community typically doesn't look at and these opportunities can earn an excellent rate of return and foster economic development.

The Treasurer stated that the current portfolio is diverse and has a sophisticated model, but stressed the need to look toward the future. Mr. Emkin pointed to the recent green initiatives of large corporations as a supporting example. The consultant's role in this process is to provide the concepts and information that can help clients make the best decisions for their portfolio.

PCA is structured differently than other consulting Firms because it outsources analyst, data entry, and computer programming positions. Mr. Emkin highlighted that their clients involve them in governance. The Firm has a unique design for public pension plans, asset liability products, and a joint venture with an actuarial Firm. They provide practical approaches to key investment processes, including a new real return asset class, which is designed to grow with inflation, and portable alpha programs. They hire people and give them one mandate so they can become an expert in their area.

The Treasurer then asked the SIC Members to introduce themselves to Mr. Emkin. After a brief introduction, the Treasurer mentioned that Mr. Costello and Mr. Treat were also Members of the Commission, but were not present at this meeting. The Treasurer asked for questions, and hearing none, thanked Mr. Emkin for his presentation.

Implementation Manager Presentation—Russell Investments. Mr. Cameron Lochhead and Mr. Greg Nordquist were representing Russell Investments. Mr. Lochhead is the Regional Director of Russell Investments and Mr. Nordquist is the Senior Portfolio

Manager. Mr. Lochhead stated that they were well-resourced with headquarters in Tacoma, Washington and 2,000 associates worldwide. They partner with the largest institutions, and do business with eighteen to twenty state funds, most of which are implementation relationships. They are one of the top one hundred money managers in the world, but are first and foremost an asset manager that hires managers and runs multi-asset class portfolios. Mr. Lochhead stated that they have discovered inefficiencies while fulfilling the role of fiduciary, and as a result they have become an expert in portfolio implementation techniques to reduce costs, take unintended risks out of the equation, and improve the efficiency of the portfolio. The Firm is client focused, which means they limit the amount of clients they service. Everything is customized to the specific needs of the staff and pension fund investment guidelines. Russell Investments has won many industry awards for its research and implementation techniques. They were ranked number thirty on the 2007 list of Fortune 100 Best Companies to Work for in America.

Mr. Nordquist then talked about the proposed assignment. As Implementation Manager, Russell would help develop a risk-return profile within the portfolio and maintain the broad asset allocation as determined by the SIC under the guidance of the General Policy Consultant. The goal is to maximize exposure to intended bets and minimize the unnecessary risk of exposures. He then spoke about the importance of cash flow management, and how they will work to ensure that the fund has enough cash available, yet have it exposed to the markets. This more opportunistic approach would lessen the Staff's administrative burdens. In regard to alternative investments, the Firm can help the Commission work through unpredictable cash flows and cash strikes. The Firm will also bring new research ideas and educational experiences as opportunities that the Commission can take advantage of. They have a gold-standard list of clients, and can cater to the size, needs, and staff to help accomplish each client's goals. Mr. Nordquist highlighted the Firm's focus on administrative alpha, or adding value to portfolios by improving implementation. This has added approximately 15 basis points per year to the average client's portfolio. He again emphasized the ability of the Firm to service large clients. Mr. Nordquist noted that sloppy implementation can add risk and take away return from a portfolio, while a well implemented strategy can be a competitive advantage in moving the portfolio forward and increasing returns. Their proposed platform is to be more nimble, "decide today, act today." Russell Investments offers flexibility for the Commission to get the desired risk-return profile.

The Treasurer then asked for questions. Mr. Goodreau emphasized that Russell Investments is not meant to be a replacement for the previous consulting service, but was an unexpected discovery that will help the Staff with day-to-day functions. With fast-moving markets and large sums of money, not being able to pay attention to details can cost a portfolio from 5 to 15 basis points over a year. This unintended risk results in inefficiencies in performance. Russell Investments has demonstrated the ability to help staff capitalize on the efficiencies of moving large sums of money.

Manager Search Consultant Presentation—Brockhouse & Cooper Mr. Ralph Loader, Chairman/CEO and Mr. Ryan Anderson, U.S. Global Broker, represented Brockhouse & Cooper. Mr. Loader explained the Firm was established in 1968 to serve institutional investors in all major world markets. Since 1987 the Firm has focused on the very specialized field of global investment manager structure and search, earning respected status as a leader in its field. They have developed and maintain a comprehensive database

which includes detailed investment manager profiles and detailed performance reports across a wide variety of geographic and style-based mandates. Clients may access this information via the web to conduct their own research and evaluation of investment managers. Their clients incur no fees for this service and the investment managers are not charged to participate in the database. During the last four years Brockhouse & Cooper has completed 484 investment manager searches with a total of \$48.6 billion in assets placed in the U.S., Canada, and internationally.

Brockhouse & Cooper's manager search process begins with a multi-factor ranking model involving all qualified candidates. The list of managers is then narrowed to ten to fifteen of the most qualified managers. This is followed by another detailed analysis with recommendations for three to five managers. At this point, Mr. Loader suggests his clients have an on site meeting with the finalists. During the final phase, Brockhouse & Cooper will negotiate implementation of contracts and fees, as required.

Treasurer Caprio asked if there were any questions. Ms. Reback asked about the fee structure and the contractual obligations of the proposed investment consultants. The Treasurer explained the cost will be no higher than the costs associated with our current consultant. The contracts are yet to be negotiated, but stipulations will be implemented within this motion to assure that the fees remain within the current fee structure. The length of the contracts will be two years, with a clause that allows exit from the contract with the appropriate notice, should the Commission find cause to end the relationship. There will also be an option to renew the contract without going through an additional RFP process. Mr. Giudici commended the Subcommittee for their time and effort and also for a job well done. He went on to state that during this complex economic environment, increasing our information and decision making resources is very important. He stated he would like to endorse the recommendation of the Subcommittee.

Treasurer Caprio entertained a motion to accept the recommendation of the Subcommittee with the following directive: the fee structure will be no higher than the fee structure with the existing consultant; the term of the agreement shall be for two years, with a stipulation that allows for exit from the contract with appropriate notice, should the Commission find cause to end the relationship; there will be an option to renew the contract without going through an additional RFP process. Dr. McKenna moved, Ms. Reback and Mr. Giudici seconded and the following motion was passed. The following members voted in favor: Ms. Gallogly, Mr. Gaudreau, Mr. Giudici, Dr. McKenna, Ms. Reback, Mr. Reilly, and Treasurer Caprio.

VOTED: To accept the recommendation of the Subcommittee with the following directive: the fee structure will be no higher than the fee structure in place with the existing consultant; the term of the agreement shall be for two years, with a stipulation that allows for exit from the contract with appropriate notice, should the Commission find cause to end the relationship; and the contract shall provide an option to renew without going through an additional RFP process.

Alternative Investments Consultant PCG – CVC European Equity Partners V.

Ms. Davidson explained that CVC European Equity Partners is forming Fund V to pursue large and mega-market European buyouts. This is an existing relationship, as the SIC has

invested in Funds II, III, and IV. The return on these Funds since inception has been 28%, with a multiple of more than 2 x's. They are currently one of our top performers. Fund V will primarily target companies headquartered in Western Europe but will have the ability to invest a limited amount of capital in the Asia Pacific region and the U.S. The fund will make investments in companies with enterprise values between €300 million and €10 billion. CVC Europe is managed by twelve Managing Partners and fifty five supporting investment professionals located in twelve offices throughout Europe, with one office in New York. The fund will make approximately twenty to thirty investments in a broad range of sectors including industrials, consumer discretionary, and materials. The first closing was held in April 2008 securing €8.4 billion in commitments with an expected total commitment of €11 billion. A hard cap has not yet been determined. A final close will be held near the end of the second quarter. Ms. Davidson stated that Fund V is complimentary to ERSRI's existing Corporate Finance commitments and recommended investment in Fund V.

Mark St. John represented CVC European Equity Partners. He is a Partner and has been with the Firm for ten years. He spoke of the large network and geographic diversification which enables their investment professionals to actively generate and pursue opportunities in local European and Asian markets, as well as provide constructive support to portfolio companies. They have nineteen offices across three continents. CVC has eight advisory boards located in Germany, Holland, Austria, Belgium, the Nordic Region, Italy, Spain, and the United Kingdom. The boards are comprised of successful European businessmen whose time commitments and involvement varies. The most active members assist in everything from sourcing investments to providing support and management advice to portfolio companies. There is a consistency of high returns in all four prior European funds, indicating strong investing discipline and good risk management. They are not a mega fund in terms of transaction size, but typically invest in the upper end of the middle market in Europe and Asia. When making investments, they are very aware of the down side and take steps to protect the investment.

Mr. St. John went on to explain the compensation structure within CVC. It is transparent and aligned so those individuals who have successful investments are rewarded. This means that a Junior Partner could conceivably make more money than a Partner. As a result, the Investment Team is very driven and they work very hard at making their investments successful. This is an important element of their business principles, as it drives performance and keeps losses down.

Mr. St. John explained that he believes this is one of the best times for making investments. Asset prices are coming down which allows CVC to buy companies with real value rather than buying and financing at a high level. Their current research has identified thousands of potential opportunities throughout Europe. Financing is more difficult, but it is still available.

Treasurer Caprio thanked Mr. St. John for his presentation. Ms. Reback remarked that €20 million is larger than commitments made in the past. Treasurer Caprio asked Ms. Davidson to comment on this remark. Ms. Davidson explained that when renewing existing

relationships, particularly those that have been very successful, it is advantageous to take a larger, more concentrated position. Treasurer Caprio added that the mandate states investments may be no more than 10% of any limited partnership; this investment currently is not even near 1%. He then entertained a motion for investment in CVC European Equity Partners Fund V. Ms. Gallogly moved, Ms. Reback seconded and the following motion was passed. The following members voted in favor: Ms. Gallogly, Mr. Gaudreau, Mr. Giudici, Dr. McKenna, Ms. Reback, Mr. Reilly, and Treasurer Caprio.

VOTED: To accept PCG's recommendation that the SIC commit up to €20 million in CVC European Equity Partners Fund V, contingent upon the conditions documented in PCG's Investment Memorandum dated May 13, 2008, and upon satisfactory review and negotiation of investment and legal documents with no material changes to the opportunity as presented.

Legal Counsel Report. Ms. Sarah Dowling, of Adler Pollock & Sheehan, Legal Counsel to the Commission, asked the Commission to pass a resolution that the General Treasurer be authorized, empowered and directed, signing singly, to execute the Subscription Agreement, any Side Letter and any other ancillary documents related to investments made by ERSRI in private equity or real estate funds, the execution thereof by the General Treasurer to be conclusive evidence that the same are hereby authorized. Dr. McKenna moved, Ms. Reback seconded, and the following motion was passed. The following members voted in favor: Ms. Gallogly, Mr. Gaudreau, Mr. Giudici, Dr. McKenna, Ms. Reback, Mr. Reilly, and Treasurer Caprio.

VOTED: That the General Treasurer be authorized, empowered and directed, signing singly, to execute the Subscription Agreement, any Side Letter and any other ancillary documents related to investments made by ERSRI in private equity or real estate funds, the execution thereof by the General Treasurer to be conclusive evidence that the same are hereby authorized.

PCG Secondary Market Update. Ms Davidson stated that in 2007 ERSRI conducted a strategic review of its private equity program. She explained that older funds have high administration fees and tend to become a burden within the portfolio. Selling these interests would free up capital to make new investments in higher performing funds. As a result, PCG has been reviewing various options relating to the sale of interests in sixteen funds. After filtering potential buyers based on size, strategy, and market reputation, PCG held discussion with fifteen institutions about the offering, with six Firms ultimately targeted. Pantheon Ventures and Fondinvest yielded the highest overall bids for specific interests. Pantheon submitted two different portfolio bids (Option A & Option B), as outlined on page 4 of PCG's report. Fondinvest submitted a single bid for CVC European Equity Partners II. By combining Pantheon's Option B bid with Fondinvest's offer, ERSRI would have the opportunity to optimize its portfolio sale value for selected interests. This sale will generate a cash distribution of about \$31 million. Capital calls would not be funded after the sale, which would reduce the amount of unfunded liability by \$5 million. The two bidders are strong secondary players and have cash in hand, so the ability to close is extremely high.

Mr. Reilly asked if there was an expiration date related to the bids. Ms. Davidson replied that typically the bids expire in thirty days. Ms. Reback suggested the SIC take a vote now regarding the acceptance of the two bids. Ms. Reback moved, Mr. Reilly seconded, and

the following motion was passed. The following members voted in favor: Ms. Gallogly, Mr. Gaudreau, Mr. Giudici, Dr. McKenna, Ms. Reback, Mr. Reilly, and Treasurer Caprio.

VOTED: To allow negotiation of contracts where the cash bid is a percent of market value as presented on page 6 of the PCG confidential memo "Sale of Interests in Private Equity Funds" dated June 25, 2008. If that percentage equals 85% or above, the Commission would allow the commencement of those negotiations and finalization of legal documents for approval.

Capital Market Review. Deputy Treasurer Goodreau stated May was a good month. The S&P was up about 1.3%. The portfolio out performed in the equity space; the Wilshire Index was up about 2%, Wilshire 5000 was up about 2.3%, Wellington Technical Equity out performed the benchmark by almost 4%, SSgA Core was up about 50 basis points over the market, the Fixed Income portfolio was down about 30 basis points, the Lehman Aggregate was down about 75 basis points, the international portfolio was up 1.3%, and the MSCI Index was up 1.7%.

Treasurer's Report. The Treasurer stated that the changes that were made during this meeting will bring new relationships to the Commission. The decision was made over a long period of time with many discussions. He feels very positive regarding future accomplishments with the addition of the new consultants and intends to have more open dialogue between the SIC Members and consultants. He thanked the Commission for being open minded and adopting the changes that the Subcommittee and Staff suggested.

New Business. There being no further new business, the Treasurer entertained a motion to adjourn. Ms. Reback moved, Mr. Reilly seconded and the following motion was passed. The following members voted in favor: Ms. Gallogly, Mr. Gaudreau, Mr. Giudici, Ms. Reback, Mr. Reilly, and Treasurer Caprio.

VOTED: To adjourn the meeting.

There being no further business, the meeting was adjourned at 11:12 a.m.

Respectfully submitted,

Frank T. Caprio

Frank T. Caprio
General Treasurer

B

RHODE ISLAND STATE INVESTMENT COMMISSION
STAFF SUMMARY ANALYSIS
PORTFOLIO HIGHLIGHTS
June 30, 2008

PORTFOLIO PERFORMANCE

June

The ERSRI portfolio posted a loss of 4.84% for the month of June, against the policy index of -5.62%. Domestic equities were down 7.82%, international equities lost 8.08%, and the fixed income asset class returned 0.46%. Additionally, the retirement fund earned \$849,771 from the securities lending program during this month. If we factor out PE & RE investments, due to the way they are monitored the plan performance was -5.47% against its -5.85% index.

Calendar Year to Date

For the six months ended June 30, 2008, the portfolio is down 6.73% against the policy index of -6.77%. Domestic equities were down 10.59%, international equities were down 10.79%, while fixed income generated a return of 1.39%.

Fiscal Year to Date

For the Fiscal Year ended June 30, 2008, the fund has lost 5.39%, against the policy index of -4.91%.

| Index Performance Summary - June 30, 2008 | | |
|---|--------|--------------|
| Market Indices | Jun-08 | Calendar YTD |
| <u>Domestic Equity</u> | | |
| S & P 500 | -8.43% | -11.91% |
| DJ Wilshire 5000 | -8.14% | -10.92% |
| Russell 2000 | -7.70% | -9.37% |
| Russell 1000 | -8.31% | -11.20% |
| Policy Index | -5.85% | -7.15% |
| <u>International Equity</u> | | |
| MSCI ACWI | -8.20% | -9.84% |
| <u>Fixed Income</u> | | |
| Lehman AGG | -0.08% | 1.13% |
| Real Estate NCREIF | 0.08% | 3.61% |

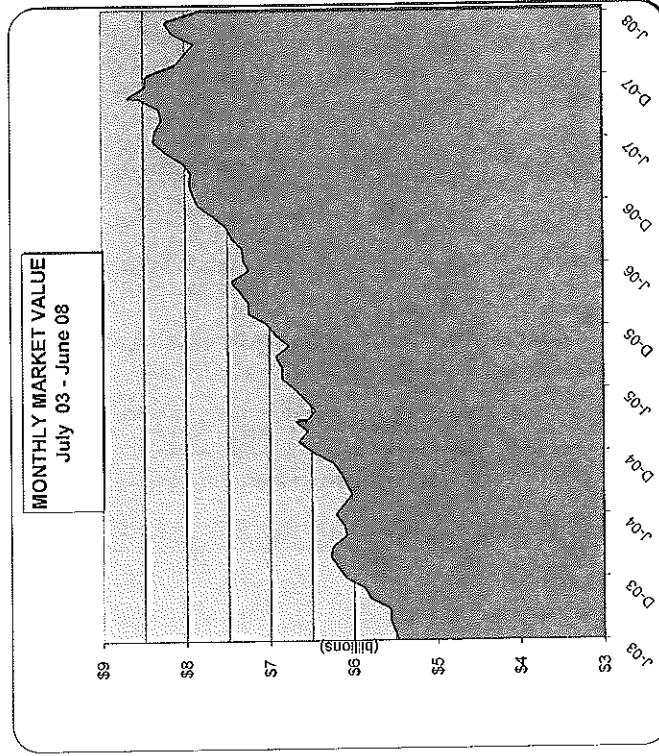
| ERSRI Performance By Asset Class | | |
|-----------------------------------|---------------|----------------|
| | Jun-08 | Calendar YTD |
| Domestic Equity | -7.82% | -10.59% |
| Fixed Income | 0.48% | 1.39% |
| International Equity | -8.08% | -10.79% |
| Total Fund Composite* | -5.47% | -7.10% |
| <u>Manager Summary</u> | | |
| <u>DOMESTIC EQUITY</u> | | |
| Shott | 15.09% | -11.45% |
| PIMCO | -9.22% | -12.34% |
| SSGA S&P 500 | -8.42% | -11.90% |
| SSGA Core | -4.80% | -9.94% |
| Wasatch | 0.00% | 0.00% |
| Northpointe | -6.42% | -9.47% |
| Wellington | -9.47% | -8.85% |
| Wellington Technical Eq | -3.47% | 3.30% |
| Total Domestic Equity | -7.82% | -10.59% |
| <u>FIXED INCOME</u> | | |
| Brown Bros TIPS | 1.76% | 4.85% |
| Brown Bros Core | 0.05% | 0.14% |
| Fidelity | 0.22% | 0.74% |
| Taplin Canida & Habacht | -0.40% | -2.01% |
| Fixed Income Cash Acct | 0.20% | 1.64% |
| Mackay Shield | -1.07% | -0.47% |
| Total Fixed Income | 0.46% | 1.39% |
| <u>INTERNATIONAL EQUITY</u> | | |
| Mondrian | -8.54% | -11.91% |
| Goldman Sachs | -7.09% | -9.37% |
| Boston Co | -8.62% | -11.05% |
| Total International Equity | -8.08% | -10.79% |

*Total Fund Composite includes all classes ex PE & RE

Market Valuation Report
June, 2008

Market Values

The total portfolio value decreased in June by \$413.6 million to \$7.82 billion. This compares with a decrease in value of \$19.0 million for the same period in 2007. The domestic equity market values decreased by \$270.3 million, including transfers in of \$0.37 million; fixed income decreased by \$17.8 million, including transfers out of \$27.3 million; while international values decreased by \$133.1 million, including transfers in of \$0.18 million. The cash accounts increased by \$4.5 million, including transfers in netting \$6.4 million, and alternative investments increased by \$3.1 million, including transfers in netting \$8.6 million.



Cash Flow

June's pension payroll of \$60.3 million was more than the \$ 52.1 million in contributions and wire transfers received by \$8.2 million.
To meet pension and other obligations, \$12.5 million was transferred from long-term investments.

Alternative Investments

At this time the alternative investment asset class has unfunded commitments of approximately \$391 million on commitments of \$1,412 million.

CAPITAL CALLS **Net of Distributions**

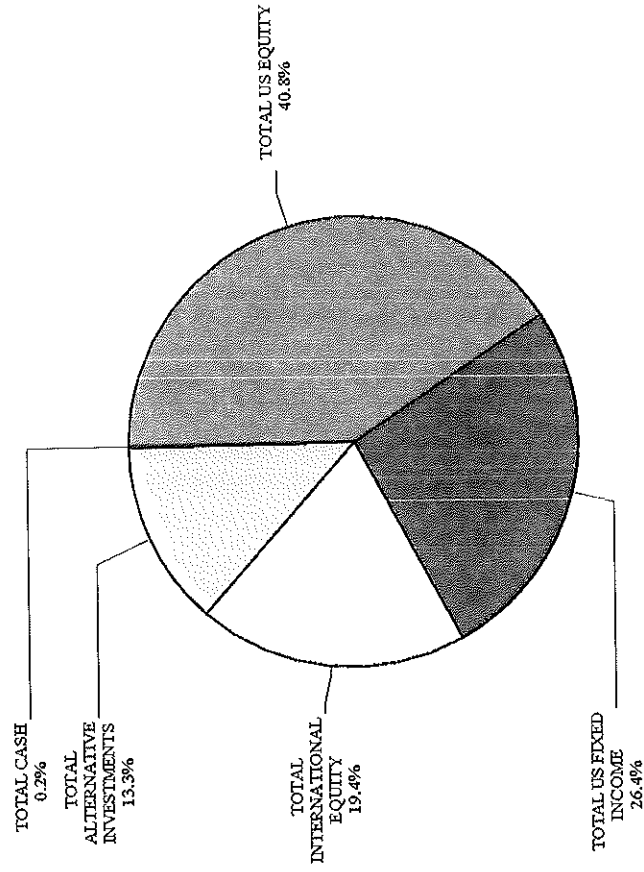
| June 2008 | FYTD | UNFUNDED BALANCE |
|---------------|---------------|---------------------|
| \$5,541,318 | \$91,105,874 | \$390,861,296 |
| June 2007 | FYTD | UNFUNDED BALANCE |
| -\$17,502,524 | -\$38,990,010 | \$437,158,679 |



STATE STREET
For Everything You Invest In™

State of Rhode Island
PERIOD ENDING 06/30/2008

CURRENT ASSET CLASS ALLOCATION (IN MILLIONS)



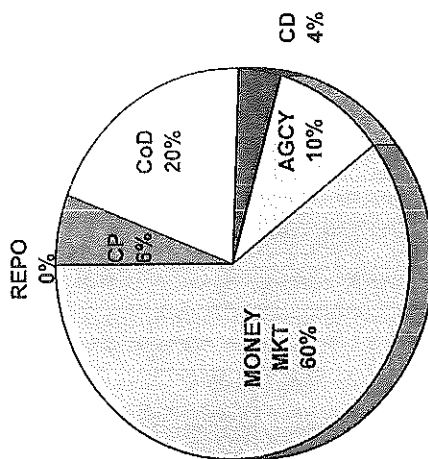
| MANAGER | CURRENT PERIOD |
|-------------------------------|----------------|
| TOTAL US EQUITY | 3,189.0 |
| TOTAL US FIXED INCOME | 2,061.3 |
| TOTAL INTERNATIONAL EQUITY | 1,515.1 |
| TOTAL ALTERNATIVE INVESTMENTS | 1,041.1 |
| TOTAL CASH | 14.5 |
| TOTAL | 7,821.0 |

RHODE ISLAND STATE INVESTMENT COMMISSION

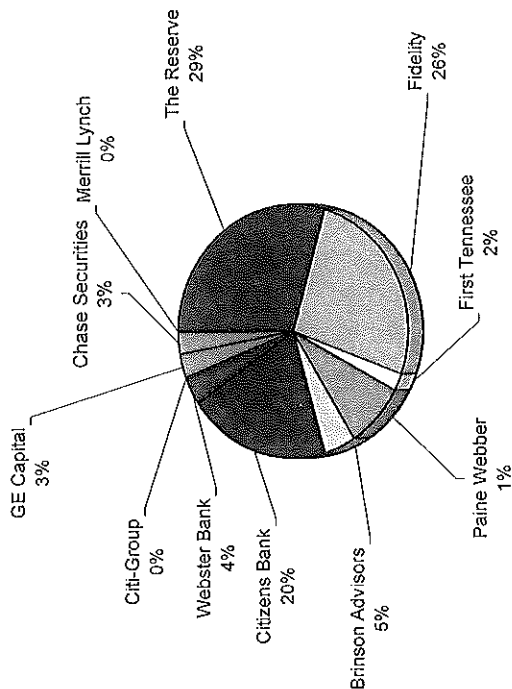
SHORT TERM CASH INVESTMENTS AT

June 30, 2008

Portfolio By Instrument



Portfolio by Issuer



REPO = Repurchase Agreement
 CP = Commercial Paper
 CD = Certificate of Deposit
 CoD = Collateralized Deposit
 Agency = US Government Agency

**State of Rhode Island
Office of the General Treasurer
Short-Term Investments**

**Issuer Credit Ratings
June, 2008**

| Issuer | Type of Instrument | Month End % Portfolio | Issuer Ratings | | S-T Debt Rating | | L-T Debt Rating | | Credit Outlook |
|---------------------------------|--------------------|-----------------------|----------------|--|-----------------|------|-----------------|------|----------------|
| | | | Moody's | | Moody's | S&P | Moody's | S&P | S&P |
| JP Morgan Chase | 2,3,5 | 3% | Aa2 | | P-1 | A-1+ | Aa2 | A | Stable |
| Citigroup Inc. | 2 | 0% | Aa3 | | P-1 | A-1+ | Aa3 | AA- | Negative |
| RBS Citizens | 3,4 | 20% | Aa3 | | P-1 | A-1+ | Aa3 | AA- | Negative |
| First Tennessee Capital Markets | 5 | 2% | A3 | | P-2 | A-2 | A3 | A- | Negative |
| Fidelity | 6 | 26% | | | | N/R | | N/R | N/R |
| Merrill Lynch | 2,5,6 | 0% | A1 | | P-1 | A-1 | A1 | A | Negative |
| The Reserve | 6 | 29% | Aaa | | | | Aaa | AAA | Stable |
| GE Capital | 2 | 3% | Aaa | | P-1 | A-1+ | Aaa | AAA | Stable |
| Morgan Stanley | 1,2,5 | 0% | Aa3 | | P-1 | A-1 | Aa3 | A+ | Negative |
| Paine Webber | 5 | 8% | Aa2 | | P-1 | A-1+ | Aa2 | AA- | Negative |
| UBS Brinson Advisors | 6 | 5% | Aa2 | | P-1 | A-1+ | Aa2 | AA- | Negative |
| State Street Bank & Trust | 1,3 | 0% | Aa1 | | P-1 | A-1+ | Aa1 | AA | Stable |
| Webster Bank | 3,4 | 4% | A2 | | P-1 | A-2 | A3 | BBB+ | Stable |

Instrument Codes

- 1 Repurchase Agreement
- 2 Commercial Paper
- 3 Certificate of Deposit
- 4 Collateralized Deposit
- 5 US Agency Discount Note
- 6 Government Money Market

Ratings Definitions

Moody's Short-Term Debt Ratings:

- P-1 - Prime-1 have a superior ability for repayment of sr. S-T debt obligations
P-2 - Prime-1 have a strong ability for repayment of sr. S-T debt obligations
P-3 - Prime-1 have an acceptable ability for repayment of sr. S-T debt obligations
NP - Not Prime

Moody's Issuer Rating Symbols:

- Aaa - Offer exceptional financial security (high-grade)
Aa - Offer excellent financial security (high-grade)
A - Offer good financial security
Baa - Offer adequate financial security
Ba - Offer questionable financial security
B - Offer poor financial security
Caa - Offer very poor financial security
Ca - Offer extremely poor financial security
C - Lowest rated class, usually in default

Modifiers:

- 1 - Higher end of letter rating category
- 2 - Mid-range of letter rating category
- 3 - Lower end of letter rating category

Moody's Long-Term Debt Ratings:

- Aaa - Best Quality
Aa - High Quality
A - Possess many favorable investment attributes
Baa - Medium-grade obligations
Ba - Possess speculative elements
B - Generally lack characteristics of desirable investments
Caa - Poor standing
Ca - Speculative in a high degree
C - Lowest rated class of bonds

Modifiers:

- 1 - Higher end of letter rating category
- 2 - Mid-range of letter rating category
- 3 - Lower end of letter rating category

S&P Short-Term Credit Ratings:

- A-1 - Highest rated, strong capacity to meet obligations
A-2 - Somewhat more susceptible to adverse effects of changes in financial conditions, satisfactory
A-3 - Exhibits adequate protection parameters
B - Significant speculative characteristics, faces major ongoing uncertainties
C - Vulnerable to non-payment
D - Payment default

Modifiers:

- + or - show relative standing within the category.

S&P Outlook Definitions:

- Positive - A rating may be raised
Negative - A rating may be lowered
Stable - A rating is not likely to change
Developing - May be raised or lowered
NM - Not meaningful

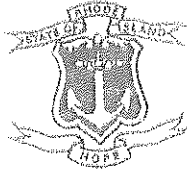
S&P Long-Term Debt Ratings:

- AAA - Highest rating, extremely strong
AA - Differs slightly from highest rating, very strong
A - Somewhat more susceptible to adverse effects of change in economic condition, strong
BBB - Exhibits adequate protection parameters
BBB-, B, CCC, CC, C - Have significant speculative characteristics. BB least speculative, C highest degree.
D - Payment default

Modifiers:

- + or - show relative standing within the category.

C



State of Rhode Island and Providence Plantations
Office of the General Treasurer

Frank T. Caprio
General Treasurer

July 17, 2008

State Investment Commission
State of Rhode Island, State House
Providence, Rhode Island

This is to certify that the amounts so listed below belong to the credit of the Employees' Retirement, State Police and Judiciary Retirement Systems, and the Municipal Employees' Retirement System of the State of Rhode Island at the close of business on June 30, 2008.

Employees' Retirement System of Rhode Island
Composite Reporting Investment Valuation

June 30, 2008

| Asset Class | | |
|-----------------------------|-----------------|---------------|
| Cash/Short Term Investments | | 493,542,801 |
| Equities - Domestic | | 3,078,581,960 |
| Equities - International | | 1,465,152,151 |
| Fixed Income - Government | \$1,243,461,902 | |
| Fixed Income - Corporate | \$499,254,268 | |
| Fixed Income - In State | \$0 | |
| Total Fixed Income | | 1,742,716,170 |
| Alternative Investments | | 660,113,274 |
| Real Estate | | 380,809,715 |
| Total Fund Investments | | 7,820,916,071 |
| Plan Allocation | | |
| State Employees & Teachers | 84.74% | 6,627,282,456 |
| Municipal Employees | 14.19% | 1,109,441,727 |
| State Police | 0.66% | 51,548,987 |
| Judicial | 0.42% | 32,642,900 |
| Total Fund Investments | 100.00% | 7,820,916,071 |

The amount listed for alternative investments designation is illiquid and does not have a readily determinable market value. It is based on appraisals only.

Respectfully submitted,

Vincent Izzo, Cash Manager

State of Rhode Island

SUMMARY OF PERFORMANCE

RATES OF RETURN

PERIODS ENDING June 30, 2008



STATE STREET
for Everything You Need In

| | MKT VAL | % of FUND | 1 Month | 3 Months | 6 Months | YTD | FYTD | 1 Year | 2 Years | 3 Years | 4 Years | 5 Years |
|-------------------------------|-----------|-----------|---------|----------|----------|--------|--------|--------|---------|---------|---------|---------|
| U.S. EQUITY | | | | | | | | | | | | |
| SSGA S&P 500 INDEX FUND | 1,506,394 | 19.26 | -8.42 | -2.71 | -11.90 | -11.90 | -13.07 | -13.07 | -19.67 | 2.38 | 5.67 | 10.43 |
| NORTHPOINTE CAPITAL | 341,183 | 4.36 | -6.42 | 3.77 | -9.47 | -9.47 | -19.67 | -19.67 | -4.00 | | | |
| PIMCO | 468,590 | 5.99 | -9.22 | -2.91 | -12.34 | -12.34 | -12.44 | -12.44 | 2.52 | 4.24 | 4.82 | 7.46 |
| SSGA - CORE | 341,876 | 4.37 | -4.80 | 3.17 | -9.94 | -9.94 | -10.76 | -10.76 | 4.83 | 6.41 | 7.52 | 9.34 |
| WELLINGTON MANAGEMENT CO. LLC | 364,389 | 4.66 | -9.47 | 0.20 | -9.85 | -9.85 | -19.50 | -19.50 | -1.72 | 4.04 | 5.20 | 11.22 |
| WELLINGTON TECHNICAL EQUITY | 165,523 | 2.12 | -3.47 | 11.16 | 3.30 | 3.30 | | | | | | |
| SHOTT CAPITAL | 1,020 | 0.01 | 15.09 | 19.55 | -11.45 | -11.45 | -33.42 | -33.42 | -20.15 | | | |
| TOTAL US EQUITY | 3,188,975 | 40.77 | -7.82 | -0.49 | -10.59 | -10.59 | -13.38 | -13.38 | 1.65 | 4.40 | 5.58 | 8.91 |
| RUSSELL 1000 | | | -8.31 | -1.89 | -11.20 | -11.20 | -12.36 | -12.36 | 2.73 | 4.81 | 5.58 | 8.22 |
| RUSSELL 2000 | | | -7.70 | 0.58 | -9.37 | -9.37 | -16.19 | -16.19 | -1.22 | 3.79 | 5.18 | 10.29 |
| RUSSELL 2000 GROWTH | | | -5.96 | 4.47 | -8.93 | -8.93 | -10.83 | -10.83 | 2.07 | 6.08 | 5.63 | 10.37 |
| RUSSELL 2000 VALUE | | | -9.60 | -3.55 | -9.84 | -9.84 | -21.63 | -21.63 | -4.63 | 1.39 | 4.50 | 10.02 |
| RUSSELL 3000 | | | -8.25 | -1.69 | -11.05 | -11.05 | -12.69 | -12.69 | 2.39 | 4.73 | 5.55 | 8.38 |
| S&P 500 | | | -8.43 | -2.73 | -11.91 | -11.91 | -13.12 | -13.12 | 2.36 | 4.41 | 4.88 | 7.59 |
| DOW WILSHIRE 5000 FREE FLOAT | | | -8.14 | -1.55 | -10.92 | -10.92 | -12.53 | -12.53 | 2.65 | 5.02 | 5.81 | 8.73 |
| INTERNATIONAL EQUITY | | | | | | | | | | | | |
| GOLDMAN SACHS | 509,032 | 6.51 | -7.09 | 0.15 | -9.37 | -9.37 | -9.89 | -9.89 | 8.50 | 15.07 | | |
| THE BOSTON COMPANY | 499,785 | 6.39 | -8.62 | -1.61 | -11.05 | -11.05 | -12.61 | -12.61 | 3.59 | 10.11 | | |
| MONDRIAN | 506,219 | 6.47 | -8.54 | -3.76 | -11.91 | -11.91 | -10.03 | -10.03 | 8.67 | 13.75 | 15.56 | |
| TRANSITION ACCOUNT INT EQUITY | 19 | 0.00 | | | | | | | | | | |
| PUTNAM INVESTMENTS | 6 | 0.00 | | | | | | | | | | |
| BANK OF IRELAND | 4 | 0.00 | | | | | | | | | | |
| TOTAL INTERNATIONAL EQUITY | 1,515,065 | 19.37 | -8.08 | -1.76 | -10.79 | -10.79 | -10.75 | -10.75 | 6.71 | 12.84 | 14.03 | 16.63 |

State of Rhode Island

SUMMARY OF PERFORMANCE

RATES OF RETURN

PERIODS ENDING June 30, 2008



STATE STREET
For Everything You Invest In™

| | MKT VAL | % of FUND | 1 Month | 3 Months | 6 Months | YTD | FYTD | 1 Year | 2 Years | 3 Years | 4 Years | 5 Years |
|---------------------------------------|-----------|-----------|---------|----------|----------|--------|--------|---------|---------|---------|---------|---------|
| MSCI AC WORLD ex US (GROSS) | | | -8.20 | -0.86 | -9.84 | -9.84 | -6.20 | -6.20 | 10.49 | 16.16 | 16.36 | 19.42 |
| MSCI EAFE (NET) | | | -8.18 | -2.25 | -10.96 | -10.96 | -10.61 | -10.61 | 6.55 | 12.84 | 13.04 | 16.67 |
| U.S. FIXED INCOME | | | | | | | | | | | | |
| BROWN BROTHERS HARRIMAN - CORE | 307,153 | 3.93 | 0.05 | -0.67 | 0.14 | 0.14 | 3.54 | 3.54 X | 4.60 | 2.99 | 4.14 | 3.53 |
| FIDELITY MANAGEMENT TRUST | 505,923 | 6.47 | 0.22 | -0.06 | 0.74 | 0.74 | 3.94 | 3.94 X | 5.15 | 3.70 | 4.49 | 4.34 |
| BROWN BROTHERS HARRIMAN - TIPS | 604,370 | 7.73 | 1.76 | -0.50 | 4.85 | 4.85 | 15.28 | 15.28 ✓ | 9.21 | 5.44 | 6.56 | |
| MACKAY SHIELDS, LLC | 134,830 | 1.72 | -1.07 | 2.22 | -0.47 | -0.47 | -1.50 | -1.50 ✓ | 4.92 | 5.53 | 6.79 | 8.36 |
| TAPLIN, CANIDA & HABACHT | 301,531 | 3.86 | -0.40 | 0.92 | -2.01 | -2.01 | -0.14 | -0.14 X | 3.77 | 2.85 | 3.89 | 3.79 |
| FIXED INCOME CASH ACCOUNT | 206,958 | 2.65 | 0.20 | 0.67 | 1.64 | 1.64 | 4.27 | 4.27 ✓ | | | | |
| TRANSITION ACCOUNT FIXED INCOME | 575 | 0.01 | | | | | | | | | | |
| TOTAL US FIXED INCOME | 2,061,340 | 26.36 | 0.46 | 0.09 | 1.39 | 1.39 | 5.71 | 5.71 | 6.14 | 4.28 | 5.28 | 4.83 |
| CSFB GLOBAL HIGH YIELD | | | -2.41 | 1.81 | -1.14 | -1.14 | -2.12 | -2.12 | 4.76 | 4.84 | 6.13 | 7.23 |
| LB AGGREGATE | | | -0.08 | -1.02 | 1.13 | 1.13 | 7.13 | 7.13 | 6.62 | 4.09 | 4.76 | 3.86 |
| LB CREDIT | | | -0.53 | -0.90 | -0.48 | -0.48 | 3.81 | 3.81 | 5.25 | 2.75 | 4.08 | 3.27 |
| LB GOV/CREDIT | | | 0.10 | -1.51 | 0.98 | 0.98 | 7.24 | 7.24 | 6.62 | 3.84 | 4.68 | 3.58 |
| CITIGROUP BIG | | | 0.12 | -1.19 | 1.40 | 1.40 | 7.76 | 7.76 | 6.92 | 4.28 | 4.95 | 4.02 |
| CITIGROUP LARGE PENSION FUND INDEX | | | 0.32 | -1.59 | 0.79 | 0.79 | 8.24 | 8.24 | 7.35 | 3.63 | 5.54 | 4.24 |
| CITIGROUP L.P.F. COLLATERALIZED INDEX | | | -0.03 | -0.60 | 1.86 | 1.86 | 8.04 | 8.04 | 7.12 | 4.84 | 5.21 | 4.59 |

1/13

State of Rhode Island

SUMMARY OF PERFORMANCE

RATES OF RETURN

PERIODS ENDING June 30, 2008



STATE STREET
For Everything You Invest In

| | MKT VAL | % of FUND | 1 Month | 3 Months | 6 Months | YTD | FYTD | 1 Year | 2 Years | 3 Years | 4 Years | 5 Years |
|---------------------------------|-----------|-----------|---------|----------|----------|-------|-------|--------|---------|---------|---------|---------|
| ALTERNATIVE INVESTMENTS | | | | | | | | | | | | |
| REAL ESTATE | 380,827 | 4.87 | -0.25 | 0.29 | 1.79 | 1.79 | 8.41 | 8.41 | 14.21 | 10.15 | | |
| PRIVATE EQUITY | 660,235 | 8.44 | -0.56 | -0.36 | -7.34 | -7.34 | 13.45 | 13.45 | 7.20 | 14.52 | 17.11 | 20.17 |
| TOTAL ALTERNATIVE INVESTMENTS | 1,041,062 | 13.31 | -0.45 | -0.13 | -4.15 | -4.15 | 11.37 | 11.37 | 9.49 | 13.73 | 16.46 | 19.30 |
| 1 TOTAL ALTERNATIVES BENCHMARK | | | -4.04 | -0.25 | -4.11 | -4.11 | -0.82 | -0.82 | 9.52 | 11.37 | 11.52 | 12.63 |
| NCREIF PROPERTY INDEX QTR LAG | | | 1.60 | 1.60 | 4.88 | 4.88 | 13.56 | 13.56 | 15.11 | 16.84 | 16.53 | 15.17 |
| S&P 500 PLUS 300 BP | | | -7.80 | -1.71 | -9.98 | -9.98 | -9.78 | -9.78 | 5.63 | 7.62 | 8.07 | 10.76 |
| CASH EQUIVALENTS | | | | | | | | | | | | |
| CASH ACCOUNT (INSIDE) | 10,952 | 0.14 | 0.21 | 0.68 | 1.66 | 1.66 | 10.56 | 10.56 | 8.44 | 9.07 | 9.56 | 11.73 |
| CASH ACCOUNT (OUTSIDE) | 3,538 | 0.05 | 0.02 | 0.04 | 0.62 | 0.62 | 2.17 | 2.17 | 3.16 | 3.23 | 2.89 | 3.22 |
| TOTAL PLAN | 7,820,932 | 100.00 | -4.84 | -0.51 | -6.73 | -6.73 | -5.39 | -5.39 | 5.02 | 7.40 | 8.48 | 10.63 |
| 2 TOTAL PLAN BENCHMARK | | | -5.62 | -1.02 | -6.77 | -6.77 | -4.91 | -4.91 | 6.23 | 7.94 | 8.43 | 10.30 |
| TOTAL PLAN ex PE RE | 6,779,870 | 86.69 | -5.47 | -0.59 | -7.10 | -7.10 | -7.29 | -7.29 | 4.35 | 6.65 | 7.73 | 9.89 |
| 3 TOTAL PLAN BENCHMARK ex PE RE | | | -5.85 | -1.13 | -7.15 | -7.15 | -5.49 | -5.49 | 5.76 | 7.41 | 8.02 | 9.83 |

State of Rhode Island

SUMMARY OF PERFORMANCE

RATES OF RETURN

PERIODS ENDING June 30, 2008



STATE STREET
For Everything You Invest In™

Endnotes

- 1 As of 7/1/2000: 60% S&P 500 plus 300bps / 40% NCREIF PROPERTY LAG
- 2 As of 04/31/2006: 42.5% W5000 / 25.0% LB AGG / 20.0% MSCI AC WORLD FREE ex USA / 5.0% NCREIF PROPERTY LAG / 7.5% S&P 500 plus 300bps
Prior to 04/31/2006: 52.5% W5000 / 25.0% LB AGG / 22.5% MSCI AC WORLD FREE ex USA
- 3 As of 01/01/1988: 48.57% Wilshire 5000 / 28.57% LB Aggregate / 22.86% MSCI AC World Free ex US

ERSRI Monthly Market Value Report With Time Weighted Returns

June 30, 2008

| | | | Calendar YTD | | | Current Month | | | Valuation Change | | | |
|--------------------------------|---------|---------|--------------|-----------|--------|---------------|---------------|--------------|---------------------------|----------------------|---------------------------|-----------------------------------|
| | | | Performance | Benchmark | Alpha | Performance | Benchmark | Alpha | Market Value 5/31/2008 | Transfers In(out) | Market Value 6/30/2008 | Market Value Increase/decrease |
| Domestic Equity | | | | | | | | | | | | |
| Shott Capital Management IRR | -11.45% | -11.91% | 0.46% | 15.09% | 6.49% | 23.52% | 1,009,544 | - | 1,020,179 | | 10,635 | |
| SSGA S&P 500 | -11.90% | -11.91% | 0.01% | -8.42% | -8.43% | 0.01% | 1,644,630,151 | 181,259 | 1,506,393,994 | | (138,417,416) | |
| SSGA Core | -9.94% | -11.20% | 1.26% | -4.80% | -8.31% | 3.51% | 359,065,134 | 39,274 | 341,876,142 | | (17,228,266) | |
| PIMCO | -12.34% | -11.91% | -0.43% | -9.22% | -8.43% | -0.79% | 516,109,349 | 58,984 | 468,589,874 | | (47,578,460) | |
| NorthPointe Capital | -9.47% | -9.37% | -0.10% | -6.42% | -7.70% | 1.28% | 364,546,702 | 43,654 | 341,183,139 | | (23,407,217) | |
| Wellington Mgmt | -9.85% | -9.37% | -0.48% | -9.47% | -7.70% | -1.77% | 402,469,503 | 48,034 | 364,388,767 | | (38,128,771) | |
| Wellington Tech Eq | 3.30% | -11.05% | 14.35% | -3.47% | -8.25% | 4.78% | 171,474,017 | - | 166,522,810 | | (5,951,208) | |
| Transition Account | N/A | N/A | N/A | N/A | N/A | N/A | - | - | - | | - | |
| Total Domestic Equity | -10.59% | - | - | -7.82% | - | - | 3,459,304,401 | 371,205 | 3,188,974,904 | | (270,700,702) | |
| International Equity | | | | | | | | | | | | |
| Boston Company | -11.05% | -9.84% | -1.21% | -8.62% | -8.20% | -0.42% | 546,869,666 | 58,254 | 499,788,806 | | (47,139,114) | |
| Goldman Sachs | -9.37% | -9.84% | 0.47% | -7.09% | -8.20% | 1.11% | 547,823,847 | 58,254 | 509,032,353 | | (38,849,748) | |
| Transition Account | N/A | N/A | N/A | N/A | N/A | N/A | 599,767 | - | 600,642 | | 875 | |
| Mondrian | -11.91% | -9.84% | -2.07% | -8.54% | -8.20% | -0.34% | 553,412,837 | 58,254 | 506,219,055 | | (47,252,038) | |
| Total International Equity | -10.79% | - | - | -8.08% | - | - | 1,648,706,117 | 174,762 | 1,515,640,857 | | (133,240,023) | |
| Alternative Investments | | | | | | | | | | | | |
| Fidelity Management & Research | 0.74% | 1.93% | -1.19% | 0.22% | -0.06% | 0.28% | 504,779,064 | 31,390 | 505,922,513 | | 1,112,059 | |
| Brown Brothers, Harriman | 0.14% | 1.40% | -1.26% | 0.05% | 0.12% | -0.07% | 308,967,729 | 31,463 | 307,152,569 | | 153,376 | |
| Taplin, Canida & Habacht | -2.01% | -0.48% | -1.53% | -0.40% | -0.53% | 0.13% | 302,730,253 | 14,308 | 301,530,993 | | (1,213,568) | |
| Mackay Shields | -0.47% | -1.14% | 0.67% | -1.07% | -2.41% | 1.34% | 136,238,378 | 55,480 | 134,829,820 | | (1,464,038) | |
| Brown Bros TIPS | 4.85% | 4.88% | -0.03% | 1.76% | 1.53% | 0.23% | 593,849,317 | 51,392 | 604,370,373 | | 10,469,864 | |
| Fixed Income Cash Acct | 1.64% | N/A | N/A | 0.20% | N/A | N/A | 234,001,556 | (27,500,000) | 206,958,047 | | 456,491 | |
| Transition Account | N/A | N/A | N/A | N/A | N/A | N/A | - | - | - | | - | |
| Total Fixed Income | 1.39% | 1.93% | -1.19% | 0.46% | -0.06% | 0.28% | 2,078,566,296 | (27,315,967) | 2,060,764,315 | | 9,513,986 | |
| Private Equity | | | | | | | | | | | | |
| Private Equity | -7.34% | N/A | N/A | -0.56% | N/A | N/A | 669,157,123 | 5,541,318 | 660,234,805 | | (4,463,637) | |
| Real Estate | 1.79% | 3.61% | -1.82% | -0.25% | 0.08% | -0.33% | 378,773,341 | 3,103,227 | 380,810,426 | | (1,066,142) | |
| Total Alternatives | -4.15% | - | - | -0.45% | - | - | 1,037,930,464 | 8,644,545 | 1,041,045,231 | | (5,529,778) | |
| Cash Accounts | | | | | | | | | | | | |
| Cash in Trust | 1.66% | N/A | N/A | 0.21% | N/A | N/A | 3,686,191 | 6,355,455 | 10,952,352 | | 900,706 | |
| Cash Outside Trust | 0.62% | N/A | N/A | 0.02% | N/A | N/A | 6,301,715 | - | 3,538,413 | | (2,763,302) | |
| Total Cash | 36.18% | - | - | 8.57% | - | 0 | 9,997,906 | 6,355,455 | 14,490,765 | | (1,862,595) | |
| Total Plan Ex PE & RE | -7.10% | -7.15% | 0.05% | -5.47% | -5.85% | 0.38% | 8,234,505,184 | (11,770,000) | 7,820,916,071 | | (401,819,112) | |
| Total Plan | -6.73% | -6.77% | 0.04% | -4.84% | -5.62% | 0.78% | - | - | - | | - | |

*Policy Index: (Effective 04/31/06)

- 42.5% Wishire 5000
- 25.0% Lehman Aggregate
- 20.0% MSCI ACWI X-US
- 5.0% NCREIF 1 Qtr Lag

State of Rhode Island

RATES OF RETURN - Total

Periods Ending June 30, 2008



STATE STREET
For Everything You Invest In

PERFORMANCE SUMMARY REPORT

| | Benchmark | 1 Month Return | | | Calendar YTD Return | | | Value (000) | Net Flow (000) |
|---------------------------------|-----------------------------|----------------|-------|--------|---------------------|--------|--------|-------------|----------------|
| | | Fund | Index | Excess | Fund | Index | Excess | | |
| U.S. EQUITY | | | | | | | | | |
| SSGA S&P 500 INDEX FUND | S&P 500 | -8.42 | -8.43 | 0.01 | -11.90 | -11.91 | 0.01 | 1,506,394 | 181 |
| SSGA - CORE | RUSSELL 1000 | -4.80 | -8.31 | 3.51 | -9.94 | -11.20 | 1.26 | 341,876 | 39 |
| PIMCO | S&P 500 | -9.22 | -8.43 | -0.79 | -12.34 | -11.91 | -0.43 | 468,590 | 59 |
| NORTHPOINTE CAPITAL | RUSSELL 2000 | -6.42 | -7.70 | 1.28 | -9.47 | -9.37 | -0.10 | 341,183 | 44 |
| WELLINGTON MANAGEMENT CO. LLC | RUSSELL 2000 | -9.47 | -7.70 | -1.77 | -9.85 | -9.37 | -0.48 | 364,389 | 48 |
| SHOTT CAPITAL | S&P 500 | 15.09 | -8.43 | 23.52 | -11.45 | -11.91 | 0.46 | 1,020 | -123 |
| WELLINGTON TECHNICAL EQUITY | RUSSELL 3000 | -3.47 | -8.25 | 4.78 | 3.30 | -11.05 | 14.35 | 165,523 | 0 |
| TOTAL US EQUITY | | -7.82 | | | -10.59 | | | 3,188,975 | 248 |
| INTERNATIONAL EQUITY | | | | | | | | | |
| THE BOSTON COMPANY | MSCI AC WORLD ex US (GROSS) | -8.62 | -8.20 | -0.42 | -11.05 | -9.84 | -1.21 | 499,785 | 58 |
| GOLDMAN SACHS | MSCI AC WORLD ex US (GROSS) | -7.09 | -8.20 | 1.11 | -9.37 | -9.84 | 0.47 | 509,032 | 58 |
| MONDRIAN | MSCI AC WORLD ex US (GROSS) | -8.54 | -8.20 | -0.34 | -11.91 | -9.84 | -2.07 | 506,219 | 58 |
| TRANSITION ACCOUNT INT EQUITY | | -8.08 | | | -10.79 | | | 19 | 0 |
| TOTAL INTERNATIONAL EQUITY | | | | | | | | 1,515,065 | 175 |
| U.S. FIXED INCOME | | | | | | | | | |
| FIDELITY MANAGEMENT TRUST | LB MBS | 0.22 | -0.06 | 0.28 | 0.74 | 1.93 | -1.19 | 505,923 | 31 |
| BROWN BROTHERS HARRIMAN - CORE | CITIGROUP BIG | 0.05 | 0.12 | -0.07 | 0.14 | 1.40 | -1.26 | 307,153 | 31 |
| TAPLIN, CANADA & HABACHT | LB CREDIT | -0.40 | -0.53 | 0.13 | -2.01 | -0.48 | -1.53 | 301,531 | 14 |
| MACKAY SHIELDS, LLC | CSFB GLOBAL HIGH YIELD | -1.07 | -2.41 | 1.34 | -0.47 | -1.14 | 0.67 | 134,830 | 55 |
| BROWN BROTHERS HARRIMAN - TIPS | LB U.S. TIPS | 1.76 | 1.53 | 0.23 | 4.85 | 4.88 | -0.03 | 604,370 | 51 |
| FIXED INCOME CASH ACCOUNT | | 0.20 | | | 1.64 | | | 206,958 | -27,500 |
| TRANSITION ACCOUNT FIXED INCOME | | | | | | | | 575 | 0 |
| TOTAL US FIXED INCOME | | 0.46 | | | 1.39 | | | 2,061,340 | -27,316 |

State of Rhode Island

RATES OF RETURN - Total

Periods Ending June 30, 2008



STATE STREET
For Everything You Invest In

PERFORMANCE SUMMARY REPORT

| | Benchmark | 1 Month Return | | | Calendar YTD Return | | | Net Flow (000) |
|-------------------------------|-------------------------------|----------------|-------|--------|---------------------|-------|--------|-------------------|
| | | Fund | Index | Excess | Fund | Index | Excess | |
| ALTERNATIVE INVESTMENTS | | | | | | | | |
| PRIVATE EQUITY | | -0.56 | | | -7.34 | | | 4,782 |
| REAL ESTATE | NCREIF PROPERTY LAG + 100 BPS | -0.25 | 1.67 | -1.92 | 1.79 | 5.34 | -3.55 | 3,006 |
| TOTAL ALTERNATIVE INVESTMENTS | TOTAL ALTERNATIVES BENCHMARK | -0.45 | -4.04 | 3.59 | -4.15 | -4.11 | -0.04 | 7,787 |
| CASH EQUIVALENTS | | | | | | | | |
| CASH ACCOUNT (INSIDE) | | 0.21 | | | 1.66 | | | 6,364 |
| CASH ACCOUNT (OUTSIDE) | | 0.02 | | | 0.62 | | | -2,764 |
| TOTAL CASH | | 8.57 | | | 36.18 | | | 3,600 |
| TOTAL PLAN | | | | | | | | |
| TOTAL PLAN | TOTAL PLAN BENCHMARK | -4.84 | -5.62 | 0.78 | -6.73 | -6.77 | 0.04 | -15,506 |
| TOTAL PLAN ex PE RE | TOTAL PLAN BENCHMARK ex PE RE | -5.47 | -5.85 | 0.38 | -7.10 | -7.15 | 0.05 | -23,293 |

State of Rhode Island

TOTAL PLAN

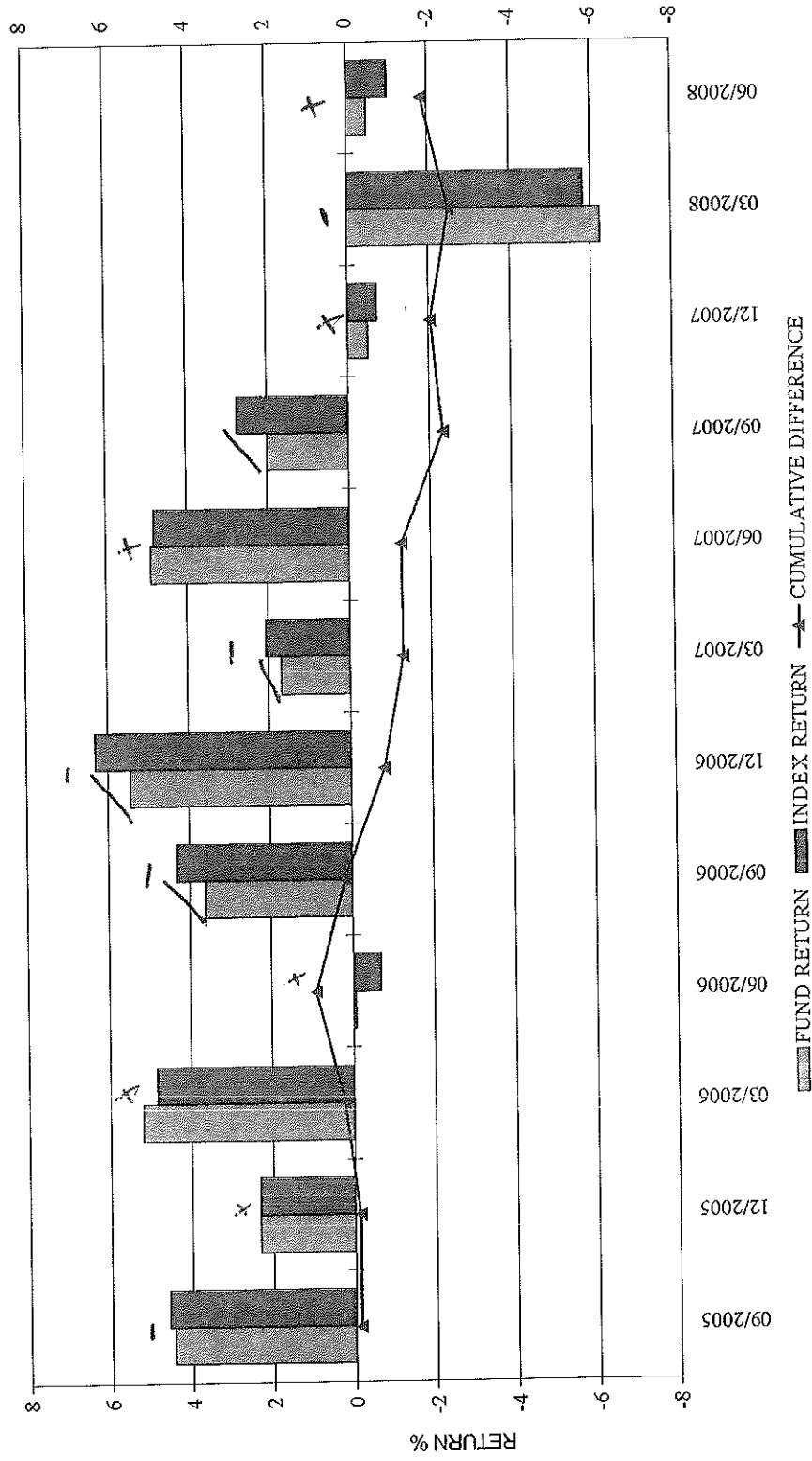
Index: TOTAL PLAN BENCHMARK

PERIODS: June 30, 2005 - June 30, 2008



STATE STREET
for Everything You Invest In™

CUMULATIVE PERFORMANCE REPORT



State of Rhode Island

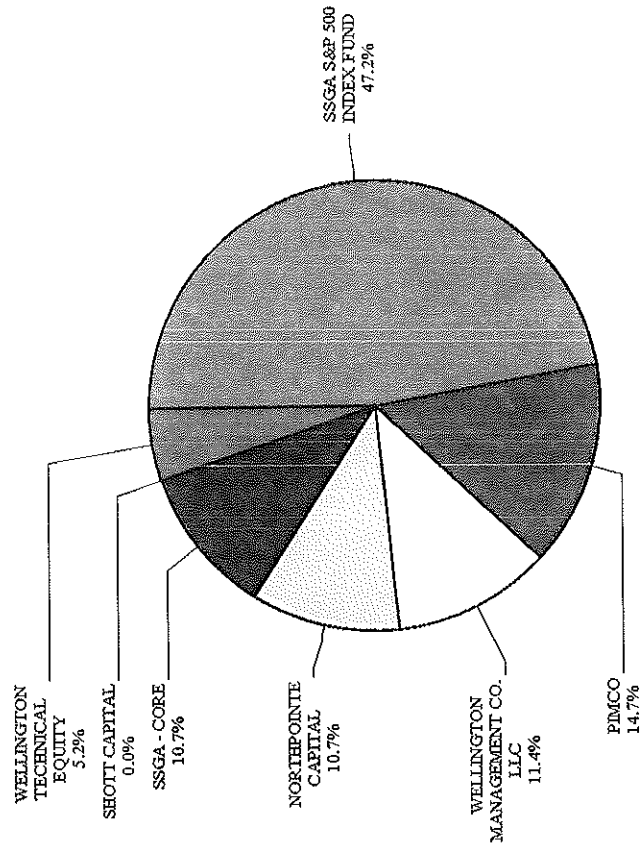
MANAGER ALLOCATION ANALYSIS

PERIOD ENDING 06/30/2008



STATE STREET
For Everything You Invest In™

CURRENT MANAGER ALLOCATION



| MANAGER | CURRENT PERIOD | ONE YEAR AGO |
|-------------------------------|----------------|--------------|
| SSGA S&P 500 INDEX FUND | 1,506.4 | 1,731.1 |
| PIMCO | 468.6 | 582.9 |
| WELLINGTON MANAGEMENT CO. LLC | 364.4 | 452.1 |
| NORTHPOINTE CAPITAL | 341.2 | 424.2 |
| SSGA - CORE | 341.9 | 382.6 |
| SHOTT CAPITAL | 1.0 | 5.6 |
| WELLINGTON TECHNICAL EQUITY | 165.5 | |
| TOTAL | 3,189.0 | 3,578.5 |

State of Rhode Island

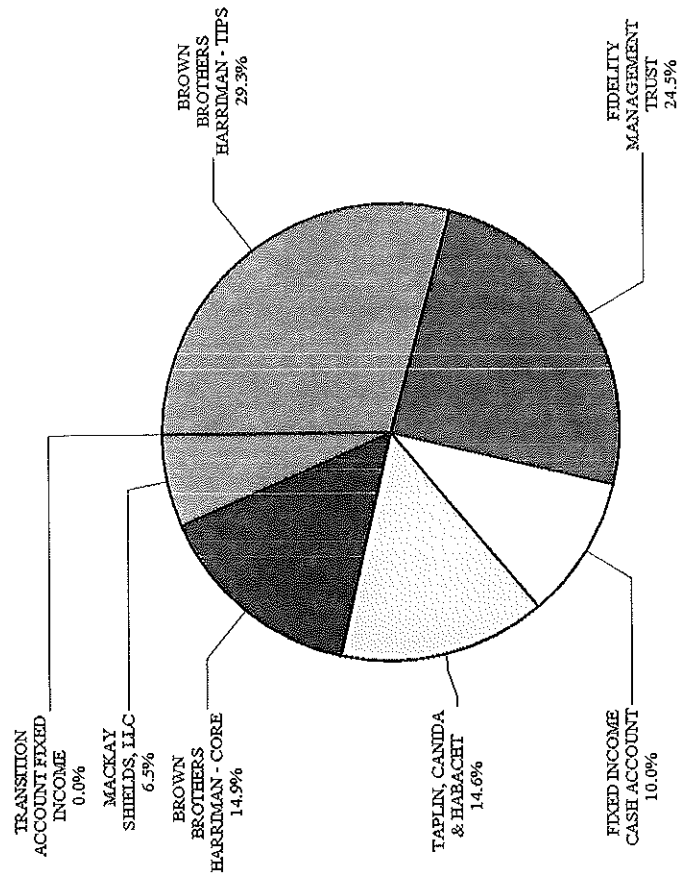
MANAGER ALLOCATION ANALYSIS

PERIOD ENDING 06/30/2008



STATE STREET
For Everything You Invest In™

CURRENT MANAGER ALLOCATION



| MANAGER | CURRENT PERIOD | ONE YEAR AGO |
|---------------------------------|----------------|--------------|
| BROWN BROTHERS HARRIMAN - TIPS | 604.4 | 523.8 |
| FIDELITY MANAGEMENT TRUST | 505.9 | 486.4 |
| FIXED INCOME CASH ACCOUNT | 207.0 | 427.2 |
| TAPLIN, CANIDA & HABACHT | 301.5 | 300.9 |
| BROWN BROTHERS HARRIMAN - CORE | 307.2 | 296.3 |
| MACKAY SHIELDS, LLC | 134.8 | 135.9 |
| SHENKMAN CAPITAL MANAGEMENT | 0.6 | 0.0 |
| TRANSITION ACCOUNT FIXED INCOME | 0.6 | 0.6 |
| TOTAL | 2,061.4 | 2,171.1 |

State of Rhode Island

MANAGER ALLOCATION ANALYSIS

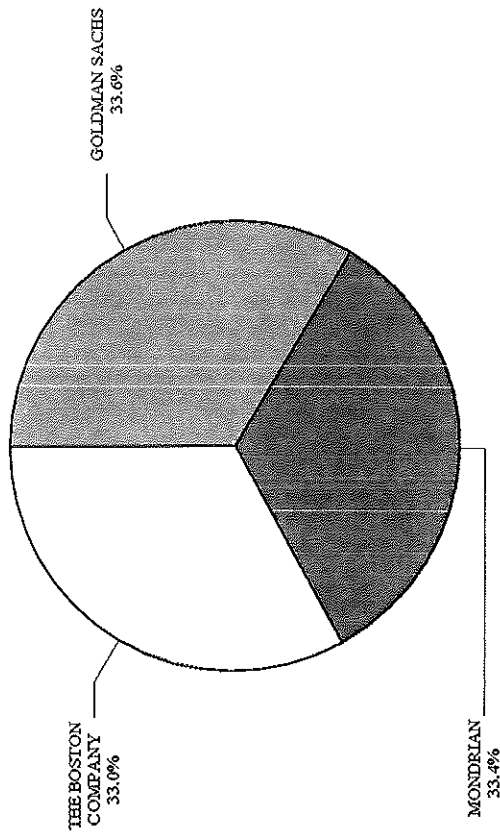
PERIOD ENDING 06/30/2008



STATE STREET
For Everything You Invest In™

CURRENT MANAGER ALLOCATION

| MANAGER | CURRENT PERIOD | ONE YEAR AGO |
|-------------------------------|----------------|--------------|
| GOLDMAN SACHS | 509.0 | 599.5 |
| MONDRIAN | 506.2 | 597.0 |
| THE BOSTON COMPANY | 499.8 | 571.3 |
| TRANSITION ACCOUNT INT EQUITY | 0.0 | 0.1 |
| TOTAL | 1,515.0 | 1,767.9 |



D

ASSET ALLOCATION REPORT

JUNE 30th, 2008

| | Style Mandate | Actual (Millions \$) | | Target (Millions \$) | | Difference (Millions \$) |
|--------------------------------------|--------------------------|-------------------------|--------------------|-------------------------|----------------|-----------------------------|
| Domestic Equity | | | | | | |
| SSgA S&P 500 Index Fund | Passive | 1,506.39 | 19.26% | 1,599.38 | 20.45% | (92.99) |
| SSgA Core | Active core | 341.88 | 4.37% | 351.94 | 4.50% | (10.07) |
| PIMCO | Enhanced Equity | 468.59 | 5.99% | 504.45 | 6.45% | (35.86) |
| NorthPointe Capital | Small Cap Value | 341.18 | 4.36% | 391.05 | 5.00% | (49.86) |
| Wellington Mgmt | Small Cap Core | 364.39 | 4.66% | 430.15 | 5.50% | (65.76) |
| Wellington Technical Equity | Tactical Equity | 165.52 | 2.12% | 46.93 | 0.60% | 118.60 |
| Shott Capital | Alternative Distribution | 1.02 | 0.01% | 0.00 | 0.00% | 1.02 |
| TOTAL DOMESTIC EQUITY | | 3,188.98 | 40.77% | 3,323.90 | 42.50% | (134.92) |
| International Equity | | | | | | |
| Boston Company | MSCI ACWI | 499.79 | 6.39% | 521.66 | 6.67% | (21.87) |
| Goldman Sachs | MSCI ACWI | 509.03 | 6.51% | 521.66 | 6.67% | (12.62) |
| Mondrian | MSCI ACWI | 506.22 | 6.47% | 520.87 | 6.66% | (14.66) |
| Transition Account | | 0.02 | 0.00% | 0.00 | 0.00% | 0.02 |
| TOTAL INT'L EQUITY | | 1,515.07 | 19.37% | 1,564.19 | 20.00% | (49.12) |
| Domestic Fixed Income | | | | | | |
| Fidelity Management & Research | Mortgages | 505.92 | 6.47% | 488.81 | 6.25%¹ | 17.11 |
| Brown Brothers, Harriman | Opportunistic Core | 307.15 | 3.93% | 293.28 | 3.75% | 13.87 |
| Taplin, Canida & Habacht | Corporates | 301.53 | 3.86% | 293.28 | 3.75% | 8.25 |
| Mackay Shields | High yield | 134.83 | 1.72% | 146.64 | 1.88% | (11.81) |
| Shenkman Capital Mgmt | High yield | 0.00 | 0.00% | 146.64 | 1.88% | (146.64) |
| Brown Brothers, Harriman TIPS | TIPS | 604.37 | 7.73% | 586.57 | 7.50% | 17.80 |
| Fixed Income Cash Account | | 206.96 | 2.65% | 0.00 | 0.00% | 206.96 |
| Transition Account | | 0.58 | 0.01% | 0.00 | 0.00% | 0.58 |
| TOTAL FIXED-INCOME | | 2,061.34 | 26.36% | 1,955.23 | 25.00% | 106.11 |
| Alternative Investments | | | | | | |
| Real Estate | Real Estate | 380.83 | 4.87% | 391.0 | 5.00% | (10.2) |
| Pacific Corp Group | Private Equity | 660.24 | 8.44% | 586.57 | 7.50% | 73.7 |
| TOTAL ALTERNATIVE INVESTMENTS | | 1,041.06 | 13.31% | 977.62 | 12.50% | 63.45 |
| | | | | | | |
| CASH EQUIVALENTS | | STIF, Yield+ | 14.49 0.19% | 0.00 0.00% | 14.49 | |
| | | | | | | |
| TOTAL ASSETS | | 7,820.93 | 100.00% | 7,820.93 | 100.00% | 0.00 |

ALLOCATION BY MANAGEMENT STYLE

| | | | | | | |
|--------------------------------------|--------------|-----------------|----------------|-----------------|----------------|-----------------|
| Domestic Equity | | | | | | |
| Core | | 507.40 | 6.49% | 398.87 | 4.50% | 108.53 |
| Index | | 1,506.39 | 19.26% | 1,599.38 | 17.75% | (92.99) |
| Enhanced Equity | | 468.59 | 5.99% | 504.45 | 6.75% | (35.86) |
| Active Small Cap | | 705.57 | 9.03% | 821.20 | 13.50% | (115.63) |
| TOTAL DOMESTIC EQUITY | | 3,188.98 | 40.77% | 3,323.90 | 42.50% | (134.92) |
| International Equity | | | | | | |
| Active | | 1,515.07 | 19.37% | 1,564.19 | 20.00% | (49.12) |
| TOTAL INT'L EQUITY | | 1,515.07 | 19.37% | 1,564.19 | 20.00% | (49.12) |
| Domestic Fixed Income | | | | | | |
| Mortgage | | 505.92 | 6.47% | 488.81 | 6.25% | 17.11 |
| Core | | 307.15 | 3.93% | 293.28 | 3.75% | 13.87 |
| Corporates | | 301.53 | 3.86% | 293.28 | 3.75% | 8.25 |
| High Yield | | 135.41 | 1.72% | 293.28 | 3.75% | (157.88) |
| TIPS | | 604.37 | 7.73% | 586.57 | 7.50% | 17.80 |
| Other | | 206.96 | 2.65% | - | 0.00% | 206.96 |
| TOTAL FIXED-INCOME | | 2,061.34 | 26.35% | 1,955.23 | 25.00% | 106.11 |
| Alternative Investments | | | | | | |
| Real Estate | | 380.83 | 4.87% | 391.05 | 5.00% | (10.22) |
| Other Alternative Investments | | 660.24 | 8.44% | 586.57 | 7.50% | 73.67 |
| TOTAL ALTERNATIVE INVESTMENTS | | 1,041.06 | 13.31% | 977.62 | 12.50% | 63.45 |
| CASH EQUIVALENTS | STIF, Yield+ | 14.49 | 0.19% | 0.00 | 0.00% | 14.49 |
| TOTAL ASSETS | | 7,820.93 | 100.00% | 7,820.93 | 100.00% | 0.00 |

RHODE ISLAND STATE INVESTMENT COMMISSION
Domestic Equity Holdings By Top 10 Market Values
Separately Managed

June 30, 2008

| <u>RANK</u> | <u>Equities</u> <u>SECURITY NAME</u> | <u>PAR VALUES/SHARES</u> | <u>BASE MARKET AMOUNT</u> | <u>MONEY MANAGERS</u> |
|--------------------------|---|--------------------------|---------------------------|------------------------|
| 1 | EXXON MOBIL CORP | 188,570 | \$16,618,674 | SSgA |
| 2 | MICROSOFT CORP. | 394,500 | 10,852,695 | SSgA |
| 3 | CHEVRON CORP | 99,500 | 9,863,435 | SSgA |
| 4 | WHITING PETE CORP NEW | 92,900 | 9,854,832 | Wellington |
| 5 | CONOCOPHILLIPS | 103,400 | 9,759,926 | SSgA |
| 6 | CON WAY INC | 197,500 | 9,333,850 | Wellington,NorthPointe |
| 7 | FOUNDATION COAL HLDGS INC | 105,200 | 9,318,616 | Wellington |
| 8 | INTERNATIONAL BUSINESS MACHS | 78,500 | 9,304,605 | SSgA,Wellington |
| 9 | WAL MART STORES INC | 155,200 | 8,722,240 | SSgA,NorthPointe |
| 10 | KNIGHT CAP GROUP INC | 461,800 | 8,303,164 | Wellington |
| | | 3.20% | \$101,932,037 | |
| Total Composite Equities | | \$3,187,954,724 | | |

International Equity Holdings By Top 10 Market Values

JUNE 30, 2008

| <u>RANK</u> | <u>International Equities</u> <u>SECURITY NAME</u> | <u>PAR VALUES/SHARES</u> | <u>BASE MARKET AMOUNT</u> | <u>MONEY MANAGERS</u> |
|--|---|--------------------------|---------------------------|-----------------------------|
| 1 | DPT EMERGING MARKET | 4,734,186 | \$62,585,945 | Mondrian |
| 2 | TOTAL SA | 408,452 | 34,879,681 | Mondrian,Goldman,Boston Co. |
| 3 | NOVARTIS AG | 547,467 | 30,232,691 | Mondrian,Goldman,Boston Co. |
| 4 | ROYAL DUTCH SHELL | 647,206 | 26,650,001 | Mondrian,Goldman,Boston Co. |
| 5 | BP PLC | 2,046,503 | 23,754,871 | Mondrian,Boston Co. |
| 6 | RWE AG (NEU) | 183,385 | 23,181,033 | Mondrian,Goldman,Boston Co. |
| 7 | GLAXOSMITHKLINE | 998,670 | 22,120,896 | Mondrian,Boston Co. |
| 8 | TAKEDA PHARMACEUTICAL CO LTD | 398,400 | 20,294,892 | Mondrian,Goldman,Boston Co. |
| 9 | UNILEVER PLC | 703,636 | 20,010,863 | Mondrian,Goldman,Boston Co. |
| 10 | GTAA DUB | 2,572,477 | 17,766,814 | Goldman |
| | | 18.58% | \$281,477,686 | |
| Total Composite International Equities | | \$1,515,036,533 | | |

Top 10 Market Values SIC

FISCAL YEAR 2008

INVESTMENT MANAGER FEES, PROFESSIONAL FEES & OPERATING EXPENSES

ERSRI & MERSRI

ACCURAL BASIS

| | Actual Jul 07 | Actual Aug | Actual Sept | Actual Oct | Actual Nov | Actual Dec | Actual Jan 08 | Actual Feb | Actual Mar | Actual Apr | Actual May | Projected Jun | Projected TOTAL |
|---------------------------------|------------------|---------------|----------------|---------------|---------------|---------------|------------------|---------------|---------------|---------------|---------------|------------------|--------------------|
| UTILITIES | | | | | | | | | | | | | |
| SSGA Core | | | 260,984 | | | 259,816 | | | 239,756 | | | 222,371 | 982,927 |
| SSGA Russell 1000/S&P 500 | | | 35,288 | | | 3,933 | | | 66,927 | | | 32,408 | 138,557 |
| Shott Capital | | | 1,446 | | | 948 | | | 480 | | | 2,718 | 5,573 |
| PIMCO | | | 0 | | | 200,000 | | | 1,000 | | | 225,000 | 425,000 |
| Wellington Mgmt | | | 690,947 | | | 654,863 | | | 600,645 | | | 679,274 | 2,625,730 |
| Wellington Tech Eq | | | 33,802 | | | 217,530 | | | 333,783 | | | 126,713 | 711,928 |
| NorthPointe | | | 590,310 | | | 558,190 | | | 503,070 | | | 589,850 | 2,241,420 |
| | | | 1,612,778 | | | 1,895,380 | | | 1,745,641 | | | 1,878,334 | 7,132,134 |
| FIXED INCOME | | | | | | | | | | | | | |
| Brown Bros. | | | 143,304 | | | 145,453 | | | 147,283 | | | 129,732 | 566,773 |
| Fidelity | | | 160,096 | | | 162,325 | | | 164,535 | | | 148,636 | 635,592 |
| Taplin | | | 191,761 | | | 193,592 | | | 191,949 | | | 169,909 | 747,211 |
| Mackay Shields | | | 148,591 | | | 148,274 | | | 145,994 | | | 147,848 | 590,707 |
| Brown Bros.TIPS | | | 141,960 | | | 145,234 | | | 148,967 | | | 136,883 | 573,044 |
| | | | 785,712 | | | 794,878 | | | 798,728 | | | 753,008 | 3,112,327 |
| INT'L EQUITIES | | | | | | | | | | | | | |
| The Boston Co | | | 565,228 | | | 561,584 | | | 526,042 | | | 551,739 | 2,204,594 |
| Mondrian | | | 338,577 | | | 321,646 | | | 304,892 | | | 316,283 | 1,281,398 |
| Goldman Sachs Asset Mgmt | | | 475,637 | | | 489,525 | | | 432,913 | | | 499,393 | 1,897,458 |
| SSGA MSCI ACWI | 0 | | 1,379,442 | 0 | | 1,372,755 | | | 1,263,847 | | | 1,367,405 | 5,383,450 |
| REAL ESTATE | | | | | | | | | | | | | |
| L & B Real Estate | 71,577 | 17,187 | 17,188 | 329,250 | 201,893 | 348,834 | 0 | 193,318 | 116,143 | 180,637 | 213,729 | 114,312 | 1,804,068 |
| ALTERNATIVE INVESTMENTS | | | | | | | | | | | | | |
| Other Alt Inv Mgmt Fees | 1,059,228 | 598,052 | 57,249 | 578,597 | 166,134 | 998,614 | 1,488,953 | 4,710 | 782,270 | 422,507 | 425,855 | 768,471 | 7,350,641 |
| SUBS TOTAL-INV MGMT FEES | 1,130,805 | 615,239 | 3,852,368 | 907,847 | 368,027 | 5,410,462 | 1,488,953 | 198,028 | 4,706,630 | 603,144 | 639,583 | 4,861,530 | 24,782,619 |
| PROFESSIONAL FEES | | | | | | | | | | | | | |
| Legal | 0 | 0 | 12,581 | 0 | 6,701 | 15,535 | 13,726 | 6,000 | 6,150 | 3,075 | 9,677 | 17,791 | 91,235 |
| St St Bank Custodial | 10,784 | 8,495 | 35,791 | 18,017 | 15,080 | 12,586 | 12,981 | 11,543 | 12,333 | 12,887 | 1,563 | 12,861 | 164,920 |
| Pacific Corp Group | 0 | 0 | 0 | 93,750 | 93,750 | 0 | 0 | 93,750 | 0 | 0 | 93,750 | 0 | 375,000 |
| Wilshire Assoc | 20,833 | 20,833 | 20,833 | 20,833 | 20,833 | 20,833 | 20,833 | 20,833 | 20,833 | 20,833 | 20,833 | 20,833 | 249,997 |
| Townsend | 31,617 | 29,328 | 35,625 | 132,600 | 136,363 | 84,579 | 47,539 | 132,126 | 35,625 | 15,000 | 35,625 | 87,110 | 157,500 |
| OPERATING EXPENSE | | | | | | | | | | | | | |
| Retirement Transfers | 369,522 | 368,651 | 525,602 | 512,275 | 603,183 | 808,484 | 402,617 | 503,343 | 434,231 | 446,640 | 607,644 | 450,000 | 6,032,190 |
| Other Expense | 0 | 3,097 | 33,007 | 6,250 | 6,250 | 6,250 | 21,497 | 22,425 | 6,250 | 0 | 8,333 | 8,333 | 121,692 |
| | 369,522 | 371,747 | 558,608 | 518,525 | 609,433 | 814,734 | 424,114 | 525,768 | 440,481 | 446,640 | 615,978 | 458,333 | 6,153,882 |
| TOTAL: | 1,531,944 | 1,016,314 | 4,515,807 | 1,556,972 | 1,113,823 | 6,309,776 | 1,960,607 | 855,922 | 5,222,053 | 1,086,579 | 1,406,973 | 5,406,973 | 31,975,153 |

Note: Numbers in bold are actual.

State of Rhode Island Alternative Investment Unfunded Commitment
June 2008

| <u>Partnership Investment</u> | <u>Total Commitment</u> | <u>Inception to Date</u> | | <u>Remaining Commitment</u> |
|---|-------------------------|--------------------------|---------------|-----------------------------|
| | | <u>Total</u> | <u>Funded</u> | |
| ABS Capital Partners II | \$ 5,000,000.00 | \$ 4,911,478.00 | \$ | 88,522.00 |
| Alta BioPharma Partners | \$ 10,000,000.00 | \$ 10,000,000.00 | \$ | - |
| Alta BioPharma Partners III | \$ 15,000,000.00 | \$ 12,000,000.00 | \$ | 3,000,000.00 |
| Alta California Partners II | \$ 10,000,000.00 | \$ 10,000,000.00 | \$ | - |
| Alta California Partners III | \$ 15,000,000.00 | \$ 15,000,000.00 | \$ | - |
| Alta Partners VIII | \$ 15,000,000.00 | \$ 5,250,000.00 | \$ | 9,750,000.00 |
| Apollo Investment Fund IV | \$ 15,000,000.00 | \$ 14,694,876.00 | \$ | 305,124.00 |
| Apollo Investment Fund VI | \$ 20,000,000.00 | \$ 15,039,578.39 | \$ | 4,960,421.61 |
| Aurora Equity Partners II** | \$ 15,000,000.00 | \$ 14,961,083.00 | \$ | 38,917.00 |
| Aurora Equity Partners III** | \$ 15,000,000.00 | \$ 10,067,339.00 | \$ | 4,932,661.00 |
| Avenue Special Situations Fund III | \$ 15,000,000.00 | \$ 15,000,000.00 | \$ | - |
| Avenue Special Situations Fund IV | \$ 20,000,000.00 | \$ 20,000,000.00 | \$ | - |
| Avenue Special Situations Fund V | \$ 20,000,000.00 | \$ 4,200,234.00 | \$ | 15,799,766.00 |
| Bain X | \$ 25,000,000.00 | \$ 2,875,000.00 | \$ | 22,125,000.00 |
| Birch Hill Equity Partners III* | \$ 15,064,022.00 | \$ 6,597,672.67 | \$ | 8,466,349.33 |
| Blackstone Capital Partners III ** | \$ 20,000,000.00 | \$ 19,075,955.00 | \$ | 924,045.00 |
| Blackstone Capital Partners IV ** | \$ 25,000,000.00 | \$ 19,580,335.00 | \$ | 5,419,665.00 |
| Blackstone Capital Partners V** | \$ 20,000,000.00 | \$ 13,546,511.00 | \$ | 6,453,489.00 |
| Boston Ventures Ltd V | \$ 5,000,000.00 | \$ 5,000,000.00 | \$ | - |
| Castile III | \$ 5,000,000.00 | \$ 1,850,000.00 | \$ | 3,150,000.00 |
| Catterton Partners V | \$ 15,000,000.00 | \$ 14,102,188.00 | \$ | 897,812.00 |
| Catterton Partners VI | \$ 15,000,000.00 | \$ 7,605,154.00 | \$ | 7,394,846.00 |
| Centerbridge | \$ 15,000,000.00 | \$ 5,654,202.72 | \$ | 9,345,797.28 |
| Charterhouse Capital Partners VII* | \$ 15,397,500.00 | \$ 12,482,928.37 | \$ | 2,914,571.63 |
| Charterhouse Capital Partners VIII* | \$ 17,829,000.00 | \$ 12,758,060.54 | \$ | 5,070,939.46 |
| Collier International Capital IV** | \$ 15,000,000.00 | \$ 12,600,000.00 | \$ | 2,400,000.00 |
| Collier International Capital V | \$ 15,000,000.00 | \$ 4,348,477.70 | \$ | 10,651,522.30 |
| Crossroads Providence (Prov. Liquidating T) | \$ 45,000,000.00 | \$ 45,000,000.00 | \$ | - |
| CVC European Equity Partners II* | \$ 15,000,000.00 | \$ 13,714,105.82 | \$ | 1,285,894.18 |
| CVC European Equity Partners III* | \$ 20,000,000.00 | \$ 18,287,738.24 | \$ | 1,712,261.76 |
| CVC European Equity Partners IV* | \$ 20,012,850.00 | \$ 17,538,224.48 | \$ | 2,474,625.52 |
| Doughty Hanson Fund II ** | \$ 5,300,000.00 | \$ 5,300,001.00 | \$ | (1.00) |
| Doughty Hanson Fund III ** | \$ 15,000,000.00 | \$ 14,224,910.64 | \$ | 775,089.36 |
| Fenway Partners Capital Fund II | \$ 15,000,000.00 | \$ 13,874,244.98 | \$ | 1,125,755.02 |
| Fenway III | \$ 15,000,000.00 | \$ 9,918,368.00 | \$ | 5,081,632.00 |
| First Reserve Fund VIII | \$ 15,000,000.00 | \$ 15,000,000.00 | \$ | - |
| First Reserve Fund IX | | \$ - | \$ | - |
| First Reserve Fund X | \$ 20,000,000.00 | \$ 19,712,663.37 | \$ | 287,336.63 |
| First Reserve Fund XI | \$ 20,000,000.00 | \$ 12,598,626.00 | \$ | 7,401,374.00 |
| Focus Ventures III | \$ 15,000,000.00 | \$ 7,200,000.00 | \$ | 7,800,000.00 |
| Granite Global Ventures II | \$ 15,000,000.00 | \$ 14,325,000.00 | \$ | 675,000.00 |
| Granite Global Ventures III | \$ 15,000,000.00 | \$ 5,250,000.00 | \$ | 9,750,000.00 |
| Green Equity Investors IV | \$ 15,000,000.00 | \$ 14,611,612.37 | \$ | 388,387.63 |
| Green Equity Investors V | \$ 20,000,000.00 | \$ 2,728,750.32 | \$ | 17,271,249.68 |
| Harvest Partners III | \$ 15,000,000.00 | \$ 14,631,273.39 | \$ | 368,726.61 |
| Harvest Partners IV | \$ 15,000,000.00 | \$ 13,580,200.00 | \$ | 1,419,800.00 |
| Heritage Fund II | \$ 5,000,000.00 | \$ 4,971,500.00 | \$ | 28,500.00 |

State of Rhode Island Alternative Investment Unfunded Commitment
June 2008

| <u>Partnership Investment</u> | <u>Total Commitment</u> | <u>Inception to Date</u> | | <u>Remaining Commitment</u> |
|---|-------------------------|----------------------------|-----------|-----------------------------|
| | | <u>Total Funded</u> | | |
| Kayne Anderson Energy Fund III | \$ 15,000,000.00 | \$ 8,103,199.90 | \$ | 6,896,800.10 |
| Kayne Anderson Energy Fund IV | \$ 15,000,000.00 | \$ 2,475,789.47 | \$ | 12,524,210.53 |
| Leapfrog Ventures II | \$ 10,000,000.00 | \$ 5,035,000.00 | \$ | 4,965,000.00 |
| Leeds Weld Equity Partners IV | \$ 10,000,000.00 | \$ 8,534,577.86 | \$ | 1,465,422.14 |
| Lehman Bros IV | \$ 15,000,000.00 | \$ 780,682.45 | \$ | 14,219,317.55 |
| Lighthouse Capital Partners V | \$ 11,250,000.00 | \$ 10,462,500.00 | \$ | 787,500.00 |
| Lighthouse Capital Partners VI | \$ 15,000,000.00 | \$ 6,750,000.01 | \$ | 8,249,999.99 |
| LNK Partners | \$ 12,500,000.00 | \$ 5,308,040.34 | \$ | 7,191,959.66 |
| Matlin Patterson Glb. Opp. Fund (CSFB) | \$ 15,000,000.00 | \$ 15,000,000.00 | \$ | - |
| MHR Institutional Partners III | \$ 20,000,000.00 | \$ 9,010,685.00 | \$ | 10,989,315.00 |
| Nautic Partners V | \$ 20,000,000.00 | \$ 18,453,320.27 | \$ | 1,546,679.73 |
| Nautic Partners VI | \$ 20,000,000.00 | \$ 7,800,229.88 | \$ | 12,199,770.12 |
| Nordic Capital Fund III* | \$ 10,000,000.00 | \$ 9,874,672.68 | \$ | 125,327.32 |
| Nordic Capital Fund V* | \$ 15,021,862.00 | \$ 14,340,595.57 | \$ | 681,266.43 |
| Nordic Capital Fund VI* | \$ 18,061,500.00 | \$ 17,203,898.00 | \$ | 857,602.00 |
| OCM Opportunities Fund | \$ 8,000,000.00 | \$ 8,000,000.00 | \$ | - |
| OCM Opportunities Fund II | \$ 12,000,000.00 | \$ 12,000,000.00 | \$ | - |
| OCM Principal Opportunities Fund | \$ 5,000,000.00 | \$ 5,000,000.00 | \$ | - |
| Paddadin III | \$ 10,000,000.00 | \$ 2,144,110.00 | \$ | 7,855,890.00 |
| Parthenon Investors | \$ 15,000,000.00 | \$ 14,911,344.00 | \$ | 88,656.00 |
| Parthenon Investors II | \$ 20,000,000.00 | \$ 18,539,919.00 | \$ | 1,460,081.00 |
| Perseus VII | \$ 15,000,000.00 | \$ 3,629,753.00 | \$ | 11,370,247.00 |
| Point .406 | \$ 10,000,000.00 | \$ 2,637,466.84 | \$ | 7,362,533.16 |
| Point Judith II | \$ 5,000,000.00 | \$ 1,730,552.47 | \$ | 3,269,447.53 |
| Providence Equity Partners* * | \$ 10,000,000.00 | \$ 10,000,000.00 | \$ | - |
| Providence Equity Partners III | \$ 15,000,000.00 | \$ 13,084,357.49 | \$ | 1,915,642.51 |
| Providence Equity Partners IV | \$ 25,000,000.00 | \$ 24,411,303.79 | \$ | 588,696.21 |
| Providence Equity Partners V | \$ 25,000,000.00 | \$ 22,824,698.00 | \$ | 2,175,302.00 |
| Providence Equity Partners VI | \$ 25,000,000.00 | \$ 10,774,763.00 | \$ | 14,225,237.00 |
| SKM Equity Fund II** | \$ 10,000,000.00 | \$ 8,270,166.00 | \$ | 1,729,834.00 |
| Thomas H. Lee Equity Fund IV (THL)** | \$ 9,000,000.00 | \$ 8,608,696.00 | \$ | 391,304.00 |
| Thomas McNerney & Partners | \$ 15,000,000.00 | \$ 11,700,000.00 | \$ | 3,300,000.00 |
| Thomas McNerney & Partners 2 | \$ 15,000,000.00 | \$ 3,937,500.00 | \$ | 11,062,500.00 |
| TPG Partners II | \$ 10,000,000.00 | \$ 9,693,603.00 | \$ | 306,397.00 |
| TPG Partners IV | \$ 15,000,000.00 | \$ 13,674,042.22 | \$ | 1,325,957.78 |
| TPG Partners V | \$ 20,000,000.00 | \$ 16,063,526.00 | \$ | 3,936,474.00 |
| TPG Partners VI | \$ 20,000,000.00 | \$ 911,635.00 | \$ | 19,088,365.00 |
| VS&A Communication Partners III | \$ 15,000,000.00 | \$ 14,953,927.00 | \$ | 46,073.00 |
| W Capital Partners | \$ 15,000,000.00 | \$ 13,182,000.00 | \$ | 1,818,000.00 |
| W Capital Partners II | \$ 15,000,000.00 | \$ 3,450,000.00 | \$ | 11,550,000.00 |
| WLR IV | \$ 8,000,000.00 | \$ 2,340,459.00 | \$ | 5,659,541.00 |
| Washington & Congress Capital Partners* | \$ 15,000,000.00 | \$ 14,694,362.76 | \$ | 305,637.24 |
| Wellspring Capital Partners II | \$ 15,000,000.00 | \$ 15,000,000.00 | \$ | - |
| Wellspring Capital Partners III | \$ 20,000,000.00 | \$ 18,754,531.00 | \$ | 1,245,469.00 |
| Wellspring Capital Partners IV | \$ 20,000,000.00 | \$ 10,468,719.00 | \$ | 9,531,281.00 |
| Welsh, Carson, Anderson & Stowe VII | \$ 15,000,000.00 | \$ 15,000,000.00 | \$ | - |
| Willis Stein & Partners | \$ 5,000,000.00 | \$ 5,000,000.00 | \$ | - |
| Total Alternative Investments | | \$ 1,026,192,918.00 | \$ | 386,243,816.00 |

Real Estate Partnership Investment
more East Fund

| Partnership Investment | Inception to Date Total Funded | Remaining Commitment |
|---|-----------------------------------|----------------------|
| Fillmore East Fund I | \$ 10,000,000.00 | \$ 0.08 |
| Fremont Strategic Property Partners II | \$ 15,000,000.00 | \$ 4,820,306.00 |
| GMAC Commerical Realty Partners II | \$ 15,000,000.00 | \$ 3,344,821.00 |
| Heitman Advisory Corporation | \$ 50,000,000.00 | \$ - |
| JPMorgan Fleming Asset Mgmt. Strat. Prop. F | \$ 20,000,000.00 | \$ - |
| JPMorgan Alternative Property Fund | \$ 15,000,000.00 | \$ 397,937.57 |
| LaSalle Income & Growth Fund IV | \$ 4,000,000.00 | \$ - |
| L&B Real Estate Counsel | \$ 35,000,000.00 | \$ 4,000,000.00 |
| Magna Hotel | \$ 50,000,000.00 | \$ - |
| Morgan Stanley Prime Property Fund | \$ 15,000,000.00 | \$ 6,405,000.00 |
| Prudential Real Estate Investors (PRISA) | \$ 35,000,000.00 | \$ - |
| Prudential Real Estate Investors (PRISA) II | \$ 10,000,000.00 | \$ 3,000,000.00 |
| RREEF America REIT II Fund | \$ 15,000,000.00 | \$ 2,983,559.00 |
| Starwood Hospitality Fund I | \$ 15,000,000.00 | \$ 928,239.00 |
| TA Realty Fund VIII | \$ 20,000,000.00 | \$ 1,459,500.77 |
| Tri Continental Fund VII | \$ 15,000,000.00 | \$ - |
| Walton Street Real Estate Fund V | \$ 15,000,000.00 | \$ 11,363,636.00 |
| Westbrook Real Estate Fund VI | \$ 15,000,000.00 | \$ 38,702,999.42 |
| Westbrook Real Estate Fund VII | \$ 15,000,000.00 | \$ - |
| | \$ 354,000,000.00 | \$ - |
| | \$ 315,297,000.58 | \$ - |

E

CASH FLOW ANALYSIS - INCOME & EXPENSES

Employees Retirement System

FISCAL YEAR 2008

| FY 2007-08 | Actual July 2007 | Actual August | Actual September | Actual October | Actual November | Actual December | Actual January 2008 | Actual February | Actual March | Actual April | Actual May | Actual June | Projected TOTAL |
|-------------------------|------------------------|------------------|---------------------|-------------------|--------------------|--------------------|---------------------------|--------------------|-----------------|-----------------|---------------|----------------|--------------------|
| MEMBER BENEFITS | 52,425,504 | 53,123,807 | 53,371,008 | 53,041,011 | 52,935,677 | 53,259,955 | 55,398,664 | 55,282,353 | 55,184,937 | 55,042,146 | 55,048,997 | 55,328,983 | 649,443,103 |
| ADMINISTRATIVE EXPENSES | 81,164 | 112,168 | 939,170 | 123,439 | 119,107 | 777,259 | 55,682 | 556,812 | 434,195 | 407,974 | 641,541 | 462,197 | 4,710,709 |
| INVESTMENT EXPENSES | 961,530 | 523,195 | 63,300 | 770,935 | 368,027 | 1,143,783 | 1,263,900 | 167,996 | 761,883 | 511,398 | 542,176 | 748,052 | 7,626,276 |
| TOTAL OUTFLOW | 53,468,298 | 53,759,170 | 54,373,478 | 53,935,385 | 53,422,811 | 55,180,997 | 56,713,267 | 56,007,161 | 56,381,046 | 55,961,519 | 56,232,715 | 56,535,242 | 661,980,088 |
| CONTRIBUTIONS | 67,315,617 | 24,268,735 | 31,456,913 | 39,521,411 | 50,419,000 | 41,465,000 | 43,124,000 | 43,490,135 | 37,241,439 | 50,541,113 | 49,746,039 | 46,722,223 | 525,299,625 |
| OTHER INCOME* | 7,295,447 | 10,151,633 | 8,518,524 | 3,050,930 | 3,844,958 | 3,705,916 | 2,194,110 | 3,078,130 | 2,015,428 | 5,353,647 | 2,436,587 | 4,336,772 | 55,971,982 |
| TOTAL INCOME | 74,601,064 | 34,420,368 | 39,975,437 | 42,572,241 | 54,263,958 | 45,168,916 | 45,318,110 | 46,568,265 | 39,256,867 | 55,894,760 | 52,182,626 | 51,058,985 | 581,271,607 |
| DIFFERENCE | 21,132,766 | (19,338,802) | (14,398,041) | (11,363,144) | 841,147 | (10,022,081) | (11,400,156) | (9,438,996) | (17,124,179) | (66,759) | (4,050,089) | (5,480,247) | (80,708,481) |

Municipal Employees Retirement System

| | Actual July 2007 | Actual August | Actual September | Actual October | Actual November | Actual December | Actual January 2008 | Actual February | Actual March | Actual April | Actual May | Actual June | Projected TOTAL |
|-------------------------|------------------------|------------------|---------------------|-------------------|--------------------|--------------------|---------------------------|--------------------|-----------------|-----------------|---------------|----------------|--------------------|
| MEMBER BENEFITS | 4,451,916 | 4,467,625 | 4,500,775 | 4,497,403 | 4,495,051 | 4,530,782 | 4,616,934 | 4,682,969 | 4,686,622 | 4,742,620 | 4,722,383 | 4,704,222 | 55,089,306 |
| ADMINISTRATIVE EXPENSES | 13,354 | 18,455 | 154,522 | 20,453 | 19,780 | 129,077 | 9,247 | 92,692 | 72,424 | 68,100 | 107,195 | 77,374 | 782,673 |
| INVESTMENT EXPENSES | 158,218 | 86,082 | 10,415 | 127,741 | 51,879 | 189,944 | 209,891 | 27,966 | 127,033 | 85,364 | 90,592 | 125,228 | 1,290,402 |
| TOTAL OUTFLOW | 4,623,487 | 4,572,162 | 4,665,712 | 4,645,602 | 4,566,710 | 4,849,802 | 4,836,072 | 4,813,627 | 4,886,130 | 4,896,084 | 4,920,170 | 4,905,824 | 57,162,382 |
| CONTRIBUTIONS | 4,890,850 | 3,427,165 | 3,947,195 | 5,055,145 | 3,776,000 | 4,383,000 | 6,233,000 | 3,904,841 | 4,070,728 | 6,870,013 | 4,927,100 | 5,422,967 | 56,908,004 |
| OTHER INCOME* | 1,198,679 | 1,670,254 | 1,401,558 | 505,511 | 638,518 | 615,428 | 364,368 | 512,415 | 336,177 | 893,644 | 407,129 | 725,998 | 9,269,678 |
| TOTAL INCOME | 6,089,529 | 5,097,419 | 5,348,753 | 5,560,555 | 4,414,518 | 4,998,428 | 6,597,368 | 4,417,256 | 4,406,905 | 7,763,657 | 5,334,229 | 6,148,965 | 66,177,682 |
| DIFFERENCE | 1,466,042 | 525,258 | 683,041 | 915,954 | (152,192) | 148,626 | 1,761,296 | (396,371) | (459,225) | 2,867,573 | 414,059 | 1,242,141 | 9,015,300 |

| | Actual July 2007 | Actual August | Actual September | Actual October | Actual November | Actual December | Actual January 2008 | Actual February | Actual March | Actual April | Actual May | Actual June | Projected TOTAL |
|-----------------|------------------------|------------------|---------------------|-------------------|--------------------|--------------------|---------------------------|--------------------|-----------------|-----------------|---------------|----------------|--------------------|
| MEMBER BENEFITS | 44,733 | 44,733 | 44,733 | 44,733 | 44,733 | 54,638 | 55,251 | 55,251 | 55,251 | 76,390 | 73,502 | 75,000 | 683,948 |
| ADMINISTRATIVE | 925 | 1,278 | 10,702 | 1,468 | 1,429 | 9,324 | 668 | 6,846 | 5,383 | 5,092 | 8,064 | 5,872 | 57,052 |
| PENSION | 10,956 | 5,962 | 721 | 9,171 | 3,748 | 13,721 | 15,162 | 2,066 | 9,446 | 6,383 | 6,815 | 9,503 | 93,656 |
| NET INVESTMENT | 56,816 | 51,974 | 56,157 | 55,372 | 49,909 | 77,683 | 71,081 | 64,163 | 70,081 | 87,965 | 88,382 | 90,375 | 819,666 |
| TOTAL OUTFLOW | 555,000 | 530,000 | 485,000 | 525,000 | 810,000 | 480,000 | 490,000 | 490,000 | 505,000 | 535,000 | 730,000 | 470,000 | 6,585,000 |
| CONTRIBUTIONS | 83,022 | 115,683 | 97,073 | 36,293 | 46,124 | 44,456 | 26,321 | 37,848 | 24,989 | 66,817 | 30,628 | 55,094 | 664,346 |
| OTHER INCOME* | 618,022 | 645,683 | 562,073 | 561,293 | 856,124 | 524,456 | 516,321 | 527,848 | 525,988 | 601,817 | 760,628 | 525,094 | 7,249,346 |
| TOTAL INCOME | 561,405 | 593,710 | 525,916 | 505,321 | 806,215 | 446,773 | 445,240 | 463,685 | 459,908 | 513,953 | 672,246 | 434,719 | 6,429,680 |
| DIFFERENCE | | | | | | | | | | | | | |

Includes Income from Real Estate Investments, Private Equity, Securities
Trading, and Cash Accounts.

CSFL05

| |
|--|
| <p align="center">Rhode Island Employees Retirement System Securities Lending Report June, 2008</p> |
|--|

| <u>INVESTMENT MANAGER</u> | <u>Income</u> | <u>Average Collateral Balance</u> |
|--|--------------------------|---------------------------------------|
| <u>DOMESTIC EQUITY</u> | | |
| Wellington Tech Equity, LLP | 15,126 | 26,814,255 |
| Wellington Mgmt. Co., LLP | 131,109 | 157,881,477 |
| NorthPointe Capital | 139,297 | 186,325,062 |
| SSgA Core | <u>51,478</u> | <u>52,602,008</u> |
| Total Domestic Equity | \$ <u>337,010</u> | \$ <u>423,622,802</u> |
| <u>INTERNATIONAL EQUITY</u> | | |
| Goldman Sachs | 75,416 | 33,663,852 |
| Boston Company | 77,734 | 54,477,768 |
| Mondrian | <u>123,576</u> | <u>45,563,885</u> |
| Total International Equity | \$ <u>276,726</u> | \$ <u>133,705,505</u> |
| <u>FIXED INCOME</u> | | |
| Brown Brothers, Harriman | 15,255 | 30,481,368 |
| Taplin, Canida & Habacht | 6,365 | 14,861,769 |
| Mackay Shields | 9,285 | 18,921,280 |
| Brown Brothers, Harriman (TIPS) | <u>205,129</u> | <u>564,144,973</u> |
| Total Fixed Income | \$ <u>236,035</u> | \$ <u>628,409,389</u> |
| TOTAL SECURITIES LENDING INCOME | | |
| | \$ <u>849,771</u> | \$ <u>1,185,737,697</u> |
| Calendar Year 2008 YTD | | |
| | \$ 4,978,658 | |

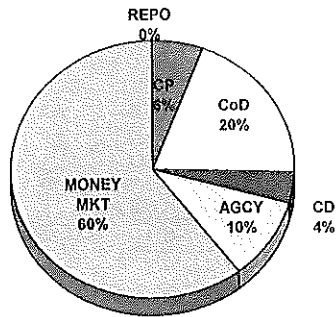
F

RHODE ISLAND STATE INVESTMENT COMMISSION

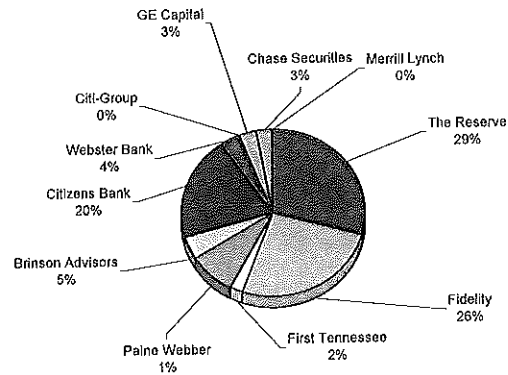
SHORT TERM CASH INVESTMENTS AT

June 30, 2008

Portfolio By Instrument



Portfolio by Issuer



REPO = Repurchase Agreement
 CP = Commercial Paper
 CD = Certificate of Deposit
 CoD = Collateralized Deposit
 Agency = US Government Agency

| Vendor | CP 25%/10% | CD 25%/10% | Agency 75%/35% | Money Mkt 75%/35% | CoD 25%/25% | Repo 100%/20% | Total (\$) |
|-------------------------|---------------|---------------|-------------------|----------------------|----------------|------------------|-------------|
| Guidelines-Total/Vendor | | | | | | | |
| Merrill Lynch | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| The Reserve | 0 | 0 | 0 | 83,616,865 | 0 | 0 | 83,616,865 |
| JP Morgan Chase | 8,099,523 | 0 | 0 | 0 | 0 | 0 | 8,099,523 |
| Paine Webber | 0 | 0 | 23,198,820 | 0 | 0 | 0 | 23,198,820 |
| Fidelity | 0 | 0 | 0 | 74,828,005 | 0 | 0 | 74,828,005 |
| First Tennessee | 0 | 0 | 6,597,965 | 0 | 0 | 0 | 6,597,965 |
| Brinson Advisors | 0 | 0 | 0 | 13,093,405 | 0 | 0 | 13,093,405 |
| Citizens Bank | 0 | 1,126,722 | 0 | 0 | 55,727,847 | 0 | 56,854,569 |
| GE Capital | 8,699,541 | 0 | 0 | 0 | 0 | 0 | 8,699,541 |
| Webster Bank | 0 | 10,000,000 | 0 | 0 | 64,329 | 0 | 10,064,329 |
| Citi-Group | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Slate St Bank | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTALS | 16,799,064 | 11,126,722 | 29,794,785 | 171,538,274 | 55,792,176 | 0 | 285,051,021 |
| (%) PORTFOLIO | 6% | 4% | 10% | 60% | 20% | 0% | 100% |

Note: Maximum participation by any one vendor limited to 35% of total portfolio.

State of Rhode Island and Providence Plantations
Office of the General Treasurer

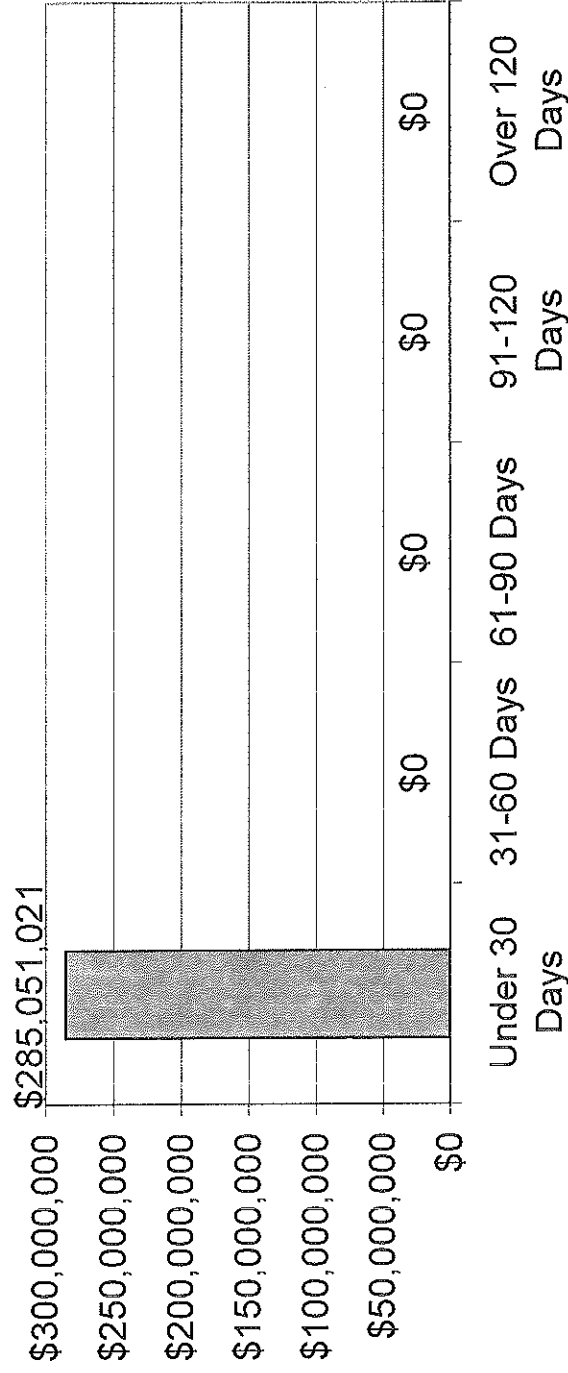
Short Term Investments Portfolio by Fund

As of June 30, 2008

| | Principal | Interest* | Total Value @ Maturity |
|--------------------------------|-------------|-----------|---------------------------|
| 4901 GENERAL FUND | 111,758,949 | 0 | 111,758,949 |
| 4904 PENSION C | 2,999,823 | 0 | 2,999,823 |
| 4908 PAYROLL A | 1,299,923 | 0 | 1,299,923 |
| 4916 GENERAL FUND H.A.V.A. | 532,959 | 0 | 532,959 |
| 4918 RICAP | 10,854,588 | 304 | 10,854,892 |
| 4920 GENERAL FUND (HIST PRES) | 526,722 | 1,730 | 528,452 |
| 4955 HEALTH INSURANCE FUND | 9,278,343 | 2,035 | 9,280,378 |
| 5400 HIGHWAY FUND | 31,027,231 | 689 | 31,027,920 |
| 5500 UNIVERSITY COLLEGE | 530,926 | 21 | 530,947 |
| 6920 AUTO EQUIPMENT SERVICE | 25,137 | 0 | 25,137 |
| 8000 T.D.I. RESERVE (DET) | 95,119,075 | 0 | 95,119,075 |
| 8300 PERMANENT SCHOOL FUND | 502,367 | 0 | 502,367 |
| 8400 EMP RETIREMENT FUND | 1,078,203 | 0 | 1,078,203 |
| 8500 MUN EMP RETIREMENT FUND | 1,915,707 | 0 | 1,915,707 |
| 8700 R.I. CLEAN WATER ACT | 921,644 | 0 | 921,644 |
| 9000 BOND CAPITAL FUND | 2,000,312 | 0 | 2,000,312 |
| 9700 STATE LOTTERY FUND | 12,592,308 | 34,869 | 12,627,176 |
| 9800 INDUS. BLDG. & MTG. INS. | 2,086,803 | 0 | 2,086,803 |
| 4911 TANS | 1 | 0 | 1 |
| 4917 TOBACCO SETTLEMENT | 0 | 0 | 0 |
| Subtotal | 285,051,021 | 39,648 | 285,090,669 |
| 8703 CLEAN WATER 1991 SERIES A | 45,777 | | |
| 8706 CLEAN WATER CCDL 1994 (A) | 6,057 | | |
| 8707 CAP DEV. OF 1997 SERIES A | 19,349 | | |
| 8710 CLEAN WATER CCDL 2002 A | 87,440 | | |
| 8711 CLEAN WATER 2004 SERIES A | 695,571 | | |
| 8712 CLN WATER CCDL 2005 SER E | 535,881 | | |
| 8733 CAP DEV. OF 1997 SERIES A | 7,048 | | |
| 8737 RI POLLUT. CONT 94 SER. A | 6,333 | | |
| 8739 CCDL99A 1999A | 328,037 | | |
| 8746 POLUTION CTRL CCDL 2006 C | 232,895 | | |
| 8747 CLEAN WATER 2007 SERIES A | 500,718 | | |
| 9114 G.O. NOTE 1991 SER. B | 3,791 | | |
| 9117 BOND CCDL 1994 SERIES A | 174,124 | | |
| 9120 BOND CCBL96A | 618,191 | | |
| 9121 CAP DEV OF 1997 SERIES A | 345 | | |
| 9123 CCDL 1998B | 1,753,128 | | |
| 9125 MMG099 1999 | 2,845 | | |
| 9126 BOND CAPITAL CCDL2000A | 1,037,741 | | |
| 9127 MULTI-MODAL GEN OBL 2000 | 2,817 | | |
| 9131 CCDL 2004 SERIES A | 9,547,251 | | |
| 9132 BOND CCDL 2005 SERIES C | 16,036,520 | | |
| 9133 BOND CCDL 2005 SERIES E | 2,424,884 | | |
| 9134 BOND CCDL 2006 SERIES B | 22,839 | | |
| 9135 BOND CCDL 2006 SERIES C | 27,946,480 | | |
| 9136 GO BND-NTAX 2007 SERIES A | 39,735,632 | | |
| 9137 GO BND-TAX 2007 SERIES A | 4,051,066 | | |
| Subtotal Bond Proceed Accounts | 105,822,560 | | |
| Total Short Term Portfolio | 390,873,581 | | |

* General Fund (4901,4911,4916), TDI (8000), & ISTE (5400), Clean Water (8700), Lottery (9700), RI Ind Bldg (9800) and Auto Equip (6900) Investments do not reflect interest earnings on Brinson and Fidelity MM, and Citizens Premium Investments due to nature of Money Market investments. Interest is posted on the 1st business day of the next month.

Short-Term Investments Maturity Schedule



As of June 30, 2008

Maturities in \$Millions

Note: Includes \$232.8 Million of Money Market investments with no specific maturity

| | |
|------------|-------|
| June, 2008 | 2.52% |
| May, 2008 | 2.07% |
| June, 2007 | 5.24% |

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ABRAHAM TOURO FUND
INVESTMENT SUMMARY
JUNE 30, 2008

| <u>FUND NAME</u> | June Gain/Loss | TOTAL MARKET VALUE |
|---|----------------|--------------------|
| Abraham Touro Fund (Fidelity Balanced Fund) | \$ (188,465) | \$ 2,174,615 |
| <u>TOTALS</u> | \$ (188,465) | \$ 2,174,615 |

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Monthly Plan Performance Update

STATE OF RHODE ISLAND - STATE OF RI (35835)

Understanding investment performance: As you review this update, please remember that the performance data stated represents past performance, which does not guarantee future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance stated. To learn more or to obtain the most recent month-end performance, call Fidelity or visit NetBenefits.com.

| Name | Cumulative Total Returns | | | | Average Annual Total Returns | | | | |
|--------------------------------------|--------------------------|--------|-------|--------|------------------------------|--------|------|-------|-------|
| | As of | 1 mo | 3 mo | YTD | As of | 1 yr | 3 yr | 5 yr | 10 yr |
| DOW JONES 30 INDUSTRIAL AVERAGE | 06/30/2008 | -10.04 | -6.85 | -13.38 | 06/30/2008 | -13.27 | 5.83 | 7.20 | 4.50 |
| NASDAQ COMPOSITE INDEX | 06/30/2008 | -9.07 | 0.82 | -13.18 | 06/30/2008 | -11.19 | 4.51 | 7.91 | 2.45 |
| LEHMAN BROTHERS AGGREGATE BOND INDEX | 06/30/2008 | -0.08 | -1.02 | 1.13 | 06/30/2008 | 7.12 | 4.09 | 3.86 | 5.68 |
| RUSSELL 2000 INDEX | 06/30/2008 | -7.70 | 0.58 | -9.37 | 06/30/2008 | -16.19 | 3.79 | 10.29 | 5.53 |
| STANDARD & POOR'S 500™ INDEX | 06/30/2008 | -8.43 | -2.73 | -11.91 | 06/30/2008 | -13.12 | 4.41 | 7.58 | 2.88 |

| Investment Name | Cumulative Total Returns | | | | Average Annual Total Returns | | | | | Fees | | | |
|--------------------------|--------------------------|--------|--------|--------|------------------------------|--------|-------|-------|-------|-------|------------------------|---------------------|----------------|
| | As of | 1 mo | 3 mo | YTD | As of | 1 yr | 3 yr | 5 yr | 10 yr | Life | Short-Term Trading Fee | Expense Ratio † | Inception Date |
| Stock Investments | | | | | | | | | | | | | |
| Large Cap | | | | | | | | | | | | | |
| FID BLUE CHIP GROWTH | 06/30/2008 | -6.69 | 0.51 | -10.12 | 06/30/2008 | -6.10 | 4.07 | 5.66 | 1.41 | 11.08 | — | 0.60% on 09/29/2007 | 12/31/1987 |
| FID CONTRAFUND | 06/30/2008 | -4.91 | 3.44 | -8.16 | 06/30/2008 | 0.91 | 11.35 | 13.92 | 8.04 | 13.07 | — | 0.89% on 02/29/2008 | 05/17/1987 |
| FID DIVIDEND GROWTH | 06/30/2008 | -8.14 | -3.21 | -12.82 | 06/30/2008 | -17.80 | 2.24 | 4.10 | 3.66 | 11.24 | — | 0.61% on 09/29/2007 | 04/27/1993 |
| FID EQUITY INCOME | 06/30/2008 | -10.32 | -5.29 | -14.48 | 06/30/2008 | -20.04 | 3.64 | 7.54 | 3.93 | 12.28 | — | 0.66% on 03/31/2008 | 05/16/1986 |
| FID GROWTH & INCOME | 06/30/2008 | -12.21 | -10.10 | -19.43 | 06/30/2008 | -24.08 | -2.11 | 2.26 | 0.70 | 11.14 | — | 0.68% on 09/29/2007 | 12/30/1985 |
| FID OTC PORTFOLIO | 06/30/2008 | -6.90 | 5.80 | -12.61 | 06/30/2008 | -1.02 | 10.12 | 11.43 | 5.31 | 13.53 | — | 0.96% on 09/29/2007 | 12/31/1984 |
| FIDELITY MAGELLAN | 06/30/2008 | -8.38 | 0.57 | -11.87 | 06/30/2008 | -5.47 | 6.55 | 7.64 | 3.25 | 17.87 | — | 0.73% on 05/29/2008 | 05/02/1983 |
| SPARTAN US EQ INDEX | 06/30/2008 | -8.44 | -2.74 | -11.94 | 06/30/2008 | -13.16 | 4.34 | 7.49 | 2.76 | 10.38 | — | 0.10% on 04/29/2008 | 02/17/1988 |
| Mid-Cap | | | | | | | | | | | | | |
| FID MID CAP STOCK | 06/30/2008 | -4.07 | 11.57 | -3.12 | 06/30/2008 | -8.66 | 11.32 | 12.50 | 9.27 | 13.31 | .75 % / 30days | 0.95% on 08/28/2008 | 03/29/1994 |
| FID VALUE | 06/30/2008 | -9.80 | -2.29 | -11.27 | 06/30/2008 | -18.61 | 4.51 | 11.63 | 7.86 | 13.30 | — | 0.70% on 12/29/2007 | 12/01/1978 |
| FIDELITY LOW PR STK | 06/30/2008 | -8.74 | -0.74 | -8.32 | 06/30/2008 | -13.30 | 5.83 | 12.82 | 11.18 | 15.60 | 1.5 % / 90days | 0.97% on 09/29/2007 | 12/27/1989 |

| Investment Name | Cumulative Total Returns | | | | Average Annual Total Returns | | | | | Fees | | | Inception Date |
|---------------------------------|--------------------------|-------|-------|--------|------------------------------|--------|-------|-------|-------|-------|------------------------|---------------------|----------------|
| | As of | 1 mo | 3 mo | YTD | As of | 1 yr | 3 yr | 5 yr | 10 yr | Life | Short-Term Trading Fee | Expense Ratio † | |
| FIDELITY NEW MILLEN | 06/30/2008 | -8.52 | -0.35 | -13.95 | 06/30/2008 | -9.23 | 9.53 | 9.43 | 10.07 | 14.98 | — | 0.94% on 01/29/2008 | 12/28/1992 |
| FKLN SMMIDCAP GRTH A | 06/30/2008 | -7.38 | 4.98 | -10.65 | 06/30/2008 | -12.09 | 5.80 | 9.74 | 5.64 | 11.19 | 2 % / 7days | 1.00% on 04/30/2008 | 02/14/1992 |
| International | | | | | | | | | | | | | |
| FID DIVERSIFIED INTL | 06/30/2008 | -7.45 | -0.06 | -9.67 | 06/30/2008 | -5.66 | 14.39 | 17.85 | 10.58 | 11.59 | 1 % / 30days | 0.93% on 12/29/2007 | 12/27/1991 |
| TEMPLETON FOREIGN A | 06/30/2008 | -9.28 | -3.01 | -14.94 | 06/30/2008 | -9.01 | 10.09 | 13.81 | 7.87 | 12.77 | 2 % / 7days | 1.16% on 02/29/2008 | 10/05/1982 |
| Blended Fund Investments | | | | | | | | | | | | | |
| Others | | | | | | | | | | | | | |
| FID FREEDOM 2000 | 06/30/2008 | -1.90 | 0.29 | -2.06 | 06/30/2008 | -0.75 | 4.19 | 4.52 | 4.71 | 6.25 | — | 0.51% on 05/29/2008 | 10/17/1996 |
| FID FREEDOM 2010 | 06/30/2008 | -3.93 | 0.18 | -4.89 | 06/30/2008 | -3.45 | 5.49 | 6.57 | 5.42 | 7.49 | — | 0.65% on 05/29/2008 | 10/17/1996 |
| FID FREEDOM 2020 | 06/30/2008 | -5.27 | 0.22 | -7.07 | 06/30/2008 | -6.04 | 6.53 | 8.40 | 5.42 | 7.81 | — | 0.72% on 05/29/2008 | 10/17/1996 |
| FID FREEDOM 2030 | 06/30/2008 | -6.28 | 0.26 | -8.85 | 06/30/2008 | -8.21 | 6.92 | 9.19 | 5.16 | 7.04 | — | 0.76% on 05/29/2008 | 10/17/1996 |
| FID FREEDOM INCOME | 06/30/2008 | -1.52 | 0.33 | -1.42 | 06/30/2008 | 0.03 | 4.06 | 4.11 | 4.50 | 5.41 | — | 0.49% on 05/29/2008 | 10/17/1996 |
| FID PURITAN | 06/30/2008 | -4.91 | -0.30 | -7.79 | 06/30/2008 | -7.54 | 5.81 | 7.63 | 5.25 | 11.40 | — | 0.60% on 11/20/2007 | 04/16/1947 |
| Bond Investments | | | | | | | | | | | | | |
| Stable Value | | | | | | | | | | | | | |
| FID MGD INC PORT II | 06/30/2008 | 0.27 | 0.84 | 2.02 | 06/30/2008 | 4.30 | 4.14 | 4.03 | 4.81 | 5.22 | — | — | 04/20/1993 |
| Income | | | | | | | | | | | | | |
| PIMCO TOT RETURN ADM | 06/30/2008 | -0.90 | -1.37 | 1.84 | 06/30/2008 | 10.55 | 4.71 | 4.45 | 6.23 | 7.11 | — | 0.68% on 03/30/2008 | 09/08/1994 |
| Short Term Investments | | | | | | | | | | | | | |
| Others | | | | | | | | | | | | | |
| FIDELITY RETIRE MMKT | 06/30/2008 | 0.20 | 0.64 | 1.60 | 06/30/2008 | 4.18 | 4.43 | 3.18 | 3.59 | 4.57 | — | 0.42% on 10/30/2007 | 12/02/1988 |
| Other Investments | | | | | | | | | | | | | |
| Others | | | | | | | | | | | | | |
| BROKERAGE LINK | — | — | — | — | — | — | — | — | — | — | — | — | — |

† For Fidelity fund of funds the performance table displays both the Expense Ratio and the Combined Total Expense Ratio. Expense Ratio is the total annual fund operating expense ratio from the fund's most recent prospectus. Combined Total Expense Ratio reflects expense reimbursements and reductions and is based on the total operating expense ratio of the fund plus a weighted average of the total operating expense ratios of the underlying Fidelity funds in which it was invested. This ratio may be higher or lower depending on the allocation of the fund's assets among the underlying Fidelity funds and the actual expenses of the underlying Fidelity funds.

† Expense Ratio is the total annual fund operating expense ratio from the fund's most recent prospectus. Please note that for the non-Fidelity fund-of-funds listed, the ratio shown may solely reflect the total operating expense ratio of the fund, or may be a combined ratio reflecting both the total operating expense ratio of the fund and the total operating expense ratios of the underlying funds in which it was invested. Please consult the fund's prospectus for more detail on a particular fund's expense ratio.

Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated. Life of Fund figures are reported as of the inception date to the period indicated. These figures do not include the effect of sales charges, if any, as these charges are waived for contributions made through your company's employee benefit plans. If sales charges were included, returns would have been lower.

The management company may be temporarily reimbursing a portion of the fund's expenses. Absent such reimbursement, returns and yields would have been lower. A fund's expense limitation may be terminated at any time. Please see the prospectus for further information.

AN INVESTMENT IN A MONEY MARKET FUND IS NOT INSURED OR GUARANTEED BY THE FDIC OR ANY OTHER GOVERNMENT AGENCY. ALTHOUGH MONEY MARKET FUNDS SEEK TO PRESERVE THE VALUE OF YOUR INVESTMENT AT \$1 PER SHARE, IT IS POSSIBLE TO LOSE MONEY BY INVESTING IN THESE FUNDS.

A money market fund's current yield reflects the current earnings of the fund while the total return refers to a specific past holding period.

Performance of an index is not illustrative of any particular investment and an investment cannot be made directly in an index.

The NASDAQ Composite® Index is an unmanaged market capitalization-weighted index of the National Market System which includes over 5,000 stocks traded only over-the-counter and not on an exchange.

The Dow Jones Industrial Average (DJIA) is an unmanaged price-weighted index and is the most widely used indicator of how the country's industrial leaders are performing. Also known as "the Dow," this is a formula based on the stock prices of 30 major companies chosen from sectors of the economy most representative of our country's economic condition.

The Russell 2000® Index is an unmanaged market capitalization-weighted index of 2,000 small company stocks of U.S. domiciled companies.

The S&P 500® Index is a registered service mark of The McGraw-Hill Companies, Inc., and has been licensed for use by Fidelity Distributors Corporation and its affiliates. It is an unmanaged index of the common stock prices of 500 widely held U.S. stocks that includes the reinvestment of dividends.

The Lehman Brothers Aggregate Bond Index is an unmanaged market value-weighted index for investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities with maturities of at least one year.

Because of their narrow focus, sector funds may be more volatile than funds that diversify across many sectors.

Investments in mortgage securities are subject to prepayment risk, which can limit the potential for gain during a declining interest rate environment and increase the potential for loss in a rising interest rate environment.

Lower-quality debt securities involve greater risk of default and/or price changes due to changes in the credit quality of the issuer.

Investments in smaller companies may involve greater risks than those of larger, more well-known companies.

Foreign investments, especially those in emerging markets involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well as the risk of currency fluctuations.

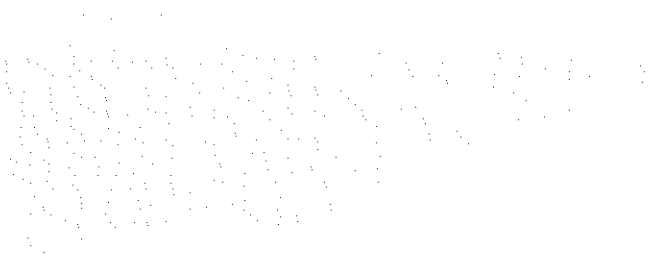
Strategic Advisers, Inc., a subsidiary of FMR Corp., manages the Fidelity Freedom Funds.

BEFORE INVESTING IN ANY INVESTMENT OPTION, PLEASE CAREFULLY CONSIDER THE INVESTMENT OBJECTIVES, RISKS, CHARGES AND EXPENSES. FOR THIS AND OTHER INFORMATION, PLEASE CALL FIDELITY AT 1-800-343-0860 OR VISIT WWW.FIDELITY.COM FOR A FREE MUTUAL FUND PROSPECTUS OR VARIABLE ANNUITY PROSPECTUS. FOR INFORMATION ON FIXED ANNUITIES, CONTACT FIDELITY TO REQUEST A FACT SHEET. READ THEM CAREFULLY BEFORE YOU INVEST.

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Portfolio Director

The information is current as of 06/30/2008.

Effective December 31, 2001, all future contributions for all existing and new participants will be directed to AIG Retirement Services for investment into the mutual fund and fixed-interest option investments. All AIG Retirement annuity investment options will be closed to current or future Plan participants after this date.

| Category/Funds | YTD Return | 1 Year Return | 3 Year Return | 5 Year Return | 10 Year Return | Since Inception | Expense Ratio | ITD Date |
|--|---------------|------------------|------------------|------------------|-------------------|--------------------|------------------|------------|
| Domestic Equity | | | | | | | | |
| Domestic Large Cap Equity | | | | | | | | |
| Large Cap Value | | | | | | | | |
| Core Value Fund (American Century) | -13.28 | -19.76 | 1.08 | 5.84 | 0.66 | 0.66 | 1.63 | 12/8/2000 |
| Vanguard Windsor II Fund | -14.69 | -20.69 | 1.54 | 7.35 | 3.26 | 3.26 | | 6/24/1985 |
| Large Cap Blend | | | | | | | | |
| Core Equity Fund (Black Rock) | -11.99 | -15.05 | 1.06 | 4.63 | -1.08 | -1.08 | 1.65 | 4/29/1994 |
| Stock Index Fund (AIG Inv) | -12.40 | -14.10 | 3.23 | 6.37 | 1.72 | 1.72 | 1.15 | 4/20/1987 |
| Large Cap Growth | | | | | | | | |
| Growth Fund (American Century) | -9.10 | 2.43 | - | - | 5.62 | 0.92 | 1.74 | 12/5/2005 |
| Large Capital Growth Fund (AIG SunAmerica/AIM) | -10.75 | -5.46 | 4.99 | - | 5.17 | 3.75 | 1.56 | 12/20/2004 |
| Domestic Mid Cap Equity | | | | | | | | |
| Mid Cap | | | | | | | | |
| Mid Cap Strategic Growth Fund (MorganStanley/Brazos) | -6.75 | 3.99 | 11.80 | - | 11.01 | 10.69 | 1.63 | 12/20/2004 |
| Global Equity | | | | | | | | |
| Global Social Awareness Fund (AIG Inv) | -9.30 | -11.83 | 4.12 | 6.64 | 1.62 | 1.62 | 1.42 | 10/2/1989 |
| Global Equity Fund (Putnam) | -11.79 | -15.83 | - | - | 4.36 | 6.08 | 1.75 | 12/5/2005 |
| International Equity | | | | | | | | |
| Foreign Value Fund (Templeton Global) | -14.73 | -13.00 | - | - | 3.74 | 5.63 | 1.66 | 12/5/2005 |
| Speciality | | | | | | | | |
| Science & Technology Fund (T. Rowe/RCM/Wellington) | -11.24 | -6.65 | 5.12 | 6.58 | -0.81 | -0.81 | 1.83 | 4/29/1994 |
| Hybrid | | | | | | | | |
| Balanced | | | | | | | | |
| Vanguard Wellington Fund | -6.01 | -4.55 | 6.38 | 8.04 | 5.74 | 5.74 | 1.33 | 7/1/1929 |
| Fixed Income | | | | | | | | |
| Investment Grade | | | | | | | | |
| Vanguard Long-Term Investment-Grade Fund | -2.33 | 2.31 | -0.09 | 2.42 | 4.71 | 4.71 | 1.05 | 7/9/1973 |
| Vanguard Long-Term Treasury Fund | 1.36 | 11.48 | 2.85 | 3.65 | 5.68 | 5.68 | 1.06 | 5/19/1986 |
| International | | | | | | | | |
| International Government Bond Fund (AIGGIC) | 1.76 | 8.73 | 5.04 | 5.92 | 5.47 | 5.47 | 1.50 | 10/1/1991 |
| Stable Value | | | | | | | | |
| Money Market I Fund (AIG SunAmerica) | 0.93 | 2.75 | 3.27 | 2.06 | 2.47 | 2.47 | 1.32 | 1/16/1986 |
| 7-Day Yield at 31-Dec-2006: 4.03% | | | | | | | | |
| Fixed Account Plus | 0.00 | 0.00 | 2.27 | 3.00 | 4.58 | 4.58 | | 1/1/1982 |
| Short Term Fixed Account | 3.00 | 3.00 | 3.00 | 3.00 | 3.52 | 3.52 | | 1/1/1991 |

An investment in money market funds is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the funds.

Returns for periods prior to the date the funds became available in the Separate Account are hypothetical and are derived from the performance of the underlying fund, adjusted to reflect fees, expenses, and surrender charges if applicable, of Portfolio Director as if the fund had been in the Separate Account during the stated period.

If applicable, returns on pages 1 & 2 reflect deduction of account maintenance fees and surrender charges, but not premium taxes or IncomeLOCK fees, if applicable. Partial or full surrenders may be subject to a surrender charge of the lesser of either 5% of the sum of the contributions received during the prior 60 months, or 5% of the amount withdrawn. There may be a quarterly account maintenance fee of \$3.75 for investments in the variable options, depending on the contract. There are no account maintenance fees for investments in the fixed options.

The current 7-day yield more closely reflects the current earnings of the money market fund than does the total average annual return. Yields are historical and do not guarantee future performance. Yields do not reflect deduction of surrender charges or premium taxes, if applicable.

1) The inclusion data found in this chart are based upon the date the funds were included in the Separate Account.

2) The inception data are based upon the inception date of underlying fund.

3) The Ariel [89] and the Ariel Appreciation [89] funds are not available in any 457(b) plans.

For funds with less than a full year of performance the returns are cumulative.

Generally, higher potential returns involve greater risk and short-term volatility. For example: Small-cap, mid-cap, sector and emerging funds can experience significant price fluctuation due to business risks and adverse political developments. International (global) and foreign funds can experience price fluctuation due to changing market conditions, currency values, and economic and political climates. High-yield bond funds, which invest in bonds that have lower ratings, typically experience price fluctuation and a greater risk of loss of principal and income than when investing directly in U.S. government securities such as U.S. Treasury bonds and bills, which are guaranteed by the government for repayment of principal and interest if held to maturity. Mortgage-related funds' underlying mortgages are more likely to be prepaid during periods of declining interest rates, which could hurt the fund's share price or yield, and may be prepaid more slowly during periods of rapidly rising interest rates, which may lengthen the fund's expected maturity. Investors should carefully assess the risks associated with an investment in the fund. Fund shares are not insured and are not backed by the U.S. government, and their value and yield will vary with market conditions.

1. The first part of the document is a list of names and addresses of the members of the committee. The names are listed in alphabetical order, and the addresses are listed below each name. The list includes the names of the members of the committee, the names of the members of the subcommittee, and the names of the members of the advisory committee. The addresses are listed in the same order as the names.

ING Life Insurance and Annuity Company



State of Rhode Island

Average Annual Total Returns as of 06/30/2008

Mutual funds offered through a retirement plan are investments designed for retirement purposes. Early withdrawals will reduce your account value and if taken prior to age 59 1/2, a 10% IRS penalty may apply.

THE PERFORMANCE DATA QUOTED REPRESENTS PAST PERFORMANCE. PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS. FOR MONTH-END PERFORMANCE WHICH MAY BE LOWER OR HIGHER THAN THE PERFORMANCE DATA SHOWN PLEASE CALL 800-525-4225. INVESTMENT RETURN AND PRINCIPAL VALUE OF AN INVESTMENT WILL FLUCTUATE SO THAT, WHEN SOLD, AN INVESTMENT MAY BE WORTH MORE OR LESS THAN THE ORIGINAL COST.

The returns assume reinvestment of all dividends (ordinary income and capital gains) and are net of management fees and other fund operating expenses.

YOU SHOULD CONSIDER THE INVESTMENT OBJECTIVES, RISKS AND CHARGES, AND EXPENSES OF THE FUNDS CAREFULLY BEFORE INVESTING. THE PROSPECTUS CONTAINS THIS AND OTHER INFORMATION. ANYONE WHO WISHES TO OBTAIN A FREE COPY OF THE FUND PROSPECTUSES MAY CALL THEIR ING REPRESENTATIVE OR THE NUMBER ABOVE. PLEASE READ THE PROSPECTUS CAREFULLY BEFORE INVESTING.

Returns less than one year are not annualized. Fund Inception Date is the date of inception for the underlying fund, and is the date used in calculating the periodic returns. This date may also precede the portfolio's inclusion in the product.

| Investment Options | Benchmark (BM) | Returns Not Annualized | | | | | | Average Annual Total Returns | | | | | | Fund Inception Date | | |
|--|-------------------|------------------------|----|------|----|------|----|------------------------------|----|------|----|------|----|---------------------------|-------|----|
| | | 1-Mo | | 3-Mo | | YTD | | 1-Yr | | 3-Yr | | 5-Yr | | | 10-Yr | |
| | | Fund | BM | Fund | BM | Fund | BM | Fund | BM | Fund | BM | Fund | BM | | Fund | BM |
| Stability of Principal | | | | | | | | | | | | | | | | |
| ING Fixed Account - 457/401 -Base + 60 (***) | | | | | | | | | | | | | | | | |
| Money Market | | | | | | | | | | | | | | | | |
| ING VP Money Market Portfolio - Class I | | | | | | | | | | | | | | | | |
| The 7-day annualized yield as of 06/30/2008 is 2.36% (+) | | | | | | | | | | | | | | | | |
| Bonds | | | | | | | | | | | | | | | | |
| Intermediate-Term Bond | | | | | | | | | | | | | | | | |
| ING VP Intermediate Bond Portfolio - Class I | | | | | | | | | | | | | | | | |
| Balanced | | | | | | | | | | | | | | | | |
| Moderate Allocation | | | | | | | | | | | | | | | | |
| Calvert Social Balanced Portfolio | | | | | | | | | | | | | | | | |
| ING VP Balanced Portfolio, Inc. - Class I | | | | | | | | | | | | | | | | |
| ING Van Kampen Equity and Income Portfolio - Initial Class | | | | | | | | | | | | | | | | |
| Large Cap Value | | | | | | | | | | | | | | | | |
| Large Blend | | | | | | | | | | | | | | | | |
| AIM V.I. Core Equity Fund - Series I Shares | | | | | | | | | | | | | | | | |

Performance Update

See Performance Introduction Page for Important Information

| Investment Options | Benchmark (BM) | Returns Not Annualized | | | | | | | | | | Average Annual Total Returns | | | | | | | | | | Fund Inception | Inception Date | | | | | |
|---|----------------|------------------------|--------|--------|--------|---------|---------|---------|---------|-------|--------|------------------------------|--------|-------|-------|------|------|------|----|------|----|----------------|----------------|-------|--|--|--|--|
| | | 1-MO | | | | | 3-MO | | | | | 1-YR | | | | | 3-YR | | | | | | | 10-YR | | | | |
| | | Fund | BM | Fund | BM | Fund | BM | Fund | BM | Fund | BM | Fund | BM | Fund | BM | Fund | BM | Fund | BM | Fund | BM | | | | | | | |
| ING Thornburg Value Portfolio - Initial Class | SPXRE | -7.69% | -8.43% | -2.55% | -2.72% | -13.44% | -11.91% | -16.01% | -13.11% | 4.10% | 4.41% | 6.92% | 7.58% | 2.28% | 2.89% | | | | | | | | 11/28/1997 | | | | | |
| ING UBS U.S. Large Cap Equity Portfolio - Initial Class | SPXRE | -9.01% | -8.43% | -1.98% | -2.72% | -11.50% | -11.91% | -16.46% | -13.11% | 3.30% | 4.41% | 7.66% | 7.58% | 1.67% | 2.89% | | | | | | | | 11/28/1997 | | | | | |
| ING VP Growth and Income Portfolio - Class I | SPXRE | -7.10% | -8.43% | -0.05% | -2.72% | -10.70% | -11.91% | -10.88% | -13.11% | 5.73% | 4.41% | 8.00% | 7.58% | 0.50% | 2.89% | | | | | | | | 12/31/1979 | | | | | |
| ING VP Index Plus LargeCap Portfolio - Class I | SPXRE | -8.44% | -8.43% | -2.53% | -2.72% | -13.88% | -11.91% | -15.05% | -13.11% | 3.05% | 4.41% | 6.67% | 7.58% | 2.58% | 2.89% | | | | | | | | 09/16/1996 | | | | | |
| Large Value | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fidelity® VIP Equity-Income Portfolio - Initial Class | RS3000V | -10.48% | -9.57% | -5.38% | -5.17% | -14.56% | -13.27% | -20.18% | -19.02% | 3.79% | 3.33% | 7.70% | 8.98% | 3.96% | 5.07% | | | | | | | | 10/09/1986 | | | | | |
| ING Opportunistic Large Cap Value Portfolio - Class I | SPXRE | -9.06% | -8.43% | -3.66% | -2.72% | -14.10% | -11.91% | -17.84% | -13.11% | 3.56% | 4.41% | 6.57% | 7.58% | 3.78% | 2.89% | | | | | | | | 12/13/1996 | | | | | |
| Large Cap Growth | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Large Growth | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| AIM V.I. Capital Appreciation Fund - Series I Shares | RS1000G | -6.12% | -7.20% | 4.16% | 1.26% | -11.24% | -9.06% | -9.32% | -5.96% | 5.58% | 5.92% | 7.36% | 7.33% | 2.31% | 0.96% | | | | | | | | 05/05/1993 | | | | | |
| Fidelity® VIP Contrafund® Portfolio - Initial Class | SPXRE | -7.84% | -8.43% | -0.58% | -2.72% | -12.17% | -11.91% | -5.23% | -13.11% | 9.21% | 4.41% | 12.81% | 7.58% | 7.48% | 2.89% | | | | | | | | 01/03/1995 | | | | | |
| Fidelity® VIP Growth Portfolio - Initial Class | RS3000G | -5.04% | -7.10% | 3.84% | 1.50% | -10.20% | -9.05% | 1.31% | -6.38% | 9.58% | 5.93% | 9.30% | 7.55% | 3.85% | 1.08% | | | | | | | | 10/09/1986 | | | | | |
| Small/Mid-Specialty | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mid-Cap Growth | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ING T. Rowe Price Diversified Mid Cap Growth Port - I Class | RSMDGRW | -6.17% | -7.31% | 5.78% | 4.68% | -5.78% | -6.81% | -4.08% | -6.43% | 8.76% | 8.19% | 10.54% | 12.32% | | | | | | | | | | 12/10/2001 | | | | | |
| Small Blend | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ING VP Small Company Portfolio - Class I | RS2000 | -7.07% | -7.70% | 2.05% | 0.58% | -6.24% | -9.38% | -10.24% | -16.19% | 8.22% | 3.79% | 12.04% | 10.29% | 7.78% | 5.53% | | | | | | | | 12/27/1996 | | | | | |
| Global / International | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Foreign Large Value | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ING Templeton Foreign Equity Portfolio - Inst Class | SPXRE | -9.87% | -8.43% | -4.20% | -2.72% | -13.10% | -11.91% | -10.43% | -13.11% | | | | | | | | | | | | | | 01/03/2006 | | | | | |
| World Stock | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ING Oppenheimer Global Portfolio - Initial Class | MSCIAC | -9.89% | -8.18% | -3.76% | -1.36% | -13.63% | -10.41% | -15.32% | -8.79% | 7.57% | 10.82% | 11.56% | 13.69% | | | | | | | | | | 05/01/2002 | | | | | |

Additional Notes

(+) THE CURRENT YIELD MORE CLOSELY REFLECTS CURRENT EARNINGS.

AN INVESTMENT IN ING VP MONEY MARKET PORTFOLIO IS NOT INSURED OR GUARANTEED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENT AGENCY. THE FUND IS A MONEY MARKET FUND WHICH DOES NOT SEEK TO MAINTAIN A STABLE \$1.00 NET ASSET VALUE. WHILE THE FUND'S INVESTMENT OBJECTIVE INCLUDES THE PRESERVATION OF CAPITAL, IT IS POSSIBLE TO LOSE MONEY BY INVESTING IN THE FUND.

*** This investment option is not a mutual fund, but an investment option providing rates of return declared in advance. It is offered through ING Life Insurance and Annuity Company.

Performance Update

The returns listed do not include the impact of contract charges.

The CURRENT rate for the ING Fixed Account - 457/401 - is 4.000%, expressed as an annual effective yield, and is guaranteed not to drop below 3.60% through 12/31/2008. The annual rate of interest applied to your account may be higher or lower than the current rate. Restrictions apply to transfers of funds from the Fixed Account to other contract investment options. Please refer to your product prospectus / disclosure booklet and call your 800 number for more information. The chart shows the performance for each investment option for the time periods shown.

Effective December 2, 2005, the ING VP MagnaCap Portfolio - Class I merged into the ING VP Value Opportunity Portfolio - Class I.

Effective April 28, 2006, AIM V.I. Premier Equity Fund - Series I Shares merged into AIM V.I. Core Equity Fund - Series I Shares.

Effective April 28, 2006, AIM V.I. Growth Fund - Series I Shares merged into AIM V.I. Capital Appreciation Fund - Series I Shares.

Effective April 28, 2006, AIM V.I. Core Stock Fund - Series I Shares merged into AIM V.I. Core Equity Fund - Series I Shares.

Effective April 25, 2008, the ING JPMorgan International Portfolio - Initial Class merged into the ING Templeton Foreign Equity Portfolio - Inst Class.

Effective April 25, 2008, the ING Lord Abbett U.S. Government Securities Portfolio - Initial Class merged into the ING VP Intermediate Bond Portfolio - Class I.

Effective April 25, 2008, the ING UBS U.S. Allocation Portfolio - Class S merged into the ING Van Kampen Equity & Income Portfolio - Class I.

Effective April 25, 2008, the ING Lord Abbett U.S. Government Portfolio - Initial Class merged into the ING VP Intermediate Bond Portfolio - Class I.

Insurance products and/or third party administration services are offered by ING Life Insurance and Annuity Company. Securities offered through ING Financial Advisers, LLC (member SIPC) or other broker-dealers with which it has a selling agreement.

Benchmark Id Benchmark Description

IBCM

The Money Fund Report Averages - All Taxable is an average of the returns of over 250 money market mutual funds surveyed each month by IBC/Donoghue, Inc.

LEHM

Composed of securities from the Lehman Brothers Government/Corporate Bond Index, Mortgage-Backed Securities Index, and Asset-Backed Securities Index. Total return comprises price appreciation/depreciation and income as a percentage of the original investment.

MFR

Returns are based upon historical average 30-day compound yields on a universe of taxable money market funds. The data for the universe, which includes approximately 980 funds, is compiled by iMoneynet, Inc. Goal of ING Fixed Account - 457/401 is to outperform the MFR by 150 - 200 basis points over 3 - 5 year time periods.

MSCIAC

MSCI All Country World Index is a broad-based unmanaged index of developed country and emerging market equities.

RS1000

The Russell 1000 Index measures the performance of the 1,000 largest companies in the Russell 3000 Index, and represents approximately 92% of the total market capitalization of the Russell 3000 Index.

RS1000G

The Russell 1000 Growth Index measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000 Growth returns assume reinvestment of all dividends.

RS2000

The Russell 2000 Index (a small cap index) consists of the smallest 2,000 companies in the Russell 3000 Index and represents approximately 10% of the Russell 3000 total market capitalization. The Russell 2000 returns assume reinvestment of all dividends.

RS3000G

The Russell 3000 Growth Index measures the performance of those Russell 3000 companies with higher price-to-book ratios and higher forecasted growth values. The stocks in this index are also members of either the Russell 1000 Growth or the Russell 2000 Growth indexes.

RS3000V

The Russell 3000 Value Index is a market capitalization-weighted index of value-oriented stocks of U.S. domiciled corporations.

RSMIDGRW

The Russell MidCap Growth Index is an unmanaged index of U.S. mid-cap growth stocks.

SPXRE

The Standard & Poor's (S&P) 500 Index is considered to be representative of the stock market in general. The S&P 500 returns assume reinvestment of all dividends.